

Comprehensive Economic Development Strategy

A Development Plan

Region IV North Dakota 2014 to 2019



Red River Regional Council

516 Cooper Avenue

Grafton, ND 58237

701-352-3550



October 2014

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
INTRODUCTION - EXECUTIVE SUMMARY.....	6
ACKNOWLEDGEMENTS	8
SECTION 1 PLANNING ORGANIZATION AND STRATEGY COMMITTEE	9
Legal Structure.....	9
Regional Council Membership	9
Regional Strategy Committee	11
SECTION 2 BACKGROUND	14
Introduction.....	14
Summary	14
Region IV	15
Economic Fundamentals	15
Relative Earnings Share	19
Population Trends.....	23
Age Factors.....	25
Population Projections	29
Migration.....	21
Labor force.....	26
Employment	27
UnemploymentRate	28
Educational Characteristics.....	29
SECTION 3 ECONOMIC DEVELOPMENT PROBLEMS, OPPORTUNITIES & SCENARIOS.....	32
General Problems & Opportunities.....	32



Agricultural Decline	34
Unmanned Aerial Systems (UAS).....	37
“Oil Patch” Activity.....	39
Summary of Opportunities and Threats.....	41
Region IV Self-Identified Strengths and Weaknesses	41
County-Selected Development Strategies and Action Steps.....	44
SECTION 4 DISASTER AND ECONOMIC RECOVERY AND RESILIENCY	44
Preparedness	45
Response	45
Recovery.....	45
Mitigation.....	46
Phase I: Pre-Disaster Preparedness.....	46
Phase II: Post-Disaster Planning and Implementation.....	46
Disaster Assessment	46
Resources	47
Local Emergency Managers.....	47
SECTION 5 CEDS GOALS AND OBJECTIVES	48
Objective 1: Further Diversify the Regional Economic Base	48
Objective 2: Improve Infrastructure Throughout the Region.....	48
Objective 3: Improve the Marketing of the Region’s Tourism and Family- Friendly Amenities.....	48
Objective 4: Stabilize the Regional Population	49
Objective 5: Mitigate Impacts of Natural Disasters on the Region’s Economy.....	49
SECTION 6 COMMUNITY AND PRIVATE SECTOR PARTICIPATION	50
SECTION 7 STRATEGIC PROJECTS, PROGRAMS, AND ACTIVITIES.....	56
Objective 1: Further Diversify the Regional Economic Base	56
Objective 2: Improve Infrastructure throughout the Region	58



Objective 3: Improve the Development and Marketing of the Region’s Tourism and Family- Friendly Amenities.....	59
Objective 4: Stabilize the Regional Population	60
Objective 5: Mitigate impacts of disasters on the region’s economy	61
RED RIVER REGIONAL COUNCIL SCOPE OF WORK JULY 1 2014 TO JUNE 30, 2015.....	62
Work Program	62
Planning.....	62
Implementation.....	63
SECTION 8	65
STATE AND LOCAL PLANS	65
Valley Prosperity Partnership	65
Grand Sky	65
North Dakota Economic Development Strategic Plan, 2010 – 2020.....	66
Pembina Gorge Recreation Area Master Plan	66
North Dakota 2.0	66
North Dakota 2020 and Beyond.....	66
CEDS PLAN OF ACTION	67
Entrepreneurship Culture Development	67
Value-Added Agriculture.....	67
Financing Support for Primary Sector Development	67
Infrastructure for Business and Industry – Support and Funding.....	67
Community Infrastructure Improvements – Support and Funding	68
Telecommunication	68
Tourism Development and Marketing	68
Education.....	68
Housing Development and Rehabilitation.....	68
Elimination of Slum and Blight.....	69



Mitigate impacts of disasters on the Region’s economy	69
SECTION 9 PERFORMANCE MEASURES.....	70
APPENDIX A.....	71
Background and Analysis of Economic Development Problems and Opportunities Presentation	71
APPENDIX B	88
Region IV Self-Identified Strengths and Weaknesses	88
APPENDIX C.....	102
Region IV County Selected Economic Development Strategies Report.....	102
APPENDIX D.....	104
Region IV County Selected Economic Development Strategies and Draft Action Steps	104
APPENDIX E	110
Economic Development Strategy Abbreviated Definitions.....	110
APPENDIX F	114
Express Plan Week Session Descriptions.....	114



Introduction - Executive Summary

The development of this Comprehensive Economic Development Strategy (CEDS) has been extremely well-timed. The State of North is currently in an economic high tide based on a variety of strong economic factors including a robust farm community, growing manufacturing and technology industries and the rapidly growing energy development in the Bakken region in western North Dakota. The entire state is operating on all cylinders and there is a new spirit of optimism that can be detected in most communities.

The Red River Regional Council (RRRC) designed a CEDS process to gain very high levels of engagement by a cross-section of community and business leaders, as well as the public at large. The foundation of the CEDS was the development of four County Strategy Committees and the completion of four individual economic development strategic plans. Each of the planning sessions, or “Express Plan Weeks”, included 13 hours of planning activities which included a public town hall meeting. The County Strategy Committees each had 20 to 25 members and nearly 100 people attended the town hall meetings. Therefore, more than 200 people have been engaged in this planning process.

The aggregated results of the County Express Plan Weeks were used to develop the regional CEDS. The Regional Strategy Committee includes members of the RRRC Board of Directors and Advisory members, members from each of the County Strategy Committees, and additional leaders from throughout the region. The CEDS process has also served very helpful in identifying the regional needs and priorities for the new leadership and staff of the RRRC which will be striving to “Move Ideas to Actions” guided by the CEDS.

It is also through the development of the CEDS that we identified significant challenges which include population decline of up to 30 percent of the 0 to 44 age bracket from the rural portions of the counties since 2000, as well as a reversal of the agricultural commodity prices over the past year. Notably, the Grafton School District Superintendent shared the alarming childhood poverty rate within the Grafton community, placing it second only to the Indian Reservations on this statistic in North Dakota. Much like the rest of the state, Region IV is also challenged with inadequate workforce availability to fill vacancies; however, in this region the lack of available workforce may be driven by outmigration. Although Region IV has higher unemployment rates than the rest of the state, an unemployment rate of approximately five percent is considered full employment. At the end of 2012, the region’s unemployment rate was 3.9 percent. The lack of an adequately skilled workforce is one of the primary barriers to growth.

Additionally, many communities have crumbling water, sewer, and street infrastructure with limited financial ability to adequately address the needed improvements. Anecdotally, the City of Park River is in the middle of constructing a new water tower to replace a water tower constructed in 1932. The cost of construction in 1932 was \$4,000. With inflationary indexing of the 1932 project, the project cost would be \$64,000. However the actual cost of the project today is \$2.5 million. Nearly all of the regional communities have also identified the lack of sufficient, adequate, available housing options to support growth. Finally, Region IV has been plagued with natural disasters, with 12 federally-declared emergency and disaster declarations the past decade. Time, energy, and resources have been diverted to continual disaster preparations, recovery and mitigation projects.



The growing technology industries and the potential of a new Unmanned Aerial Systems (UAS) industry in the region provide new opportunities for public and private development. Further, the region has strong tourism development opportunities particularly with large projects within the Pembina Gorge Recreation Area in Pembina County and Stump Lake in Nelson County. The opportunity to develop connectivity between the tourism and recreation amenities provides region-wide possibilities as more and more recreation development occurs statewide.



Acknowledgements

The economic development strategic planning efforts highlighted, summarized, and built upon within this CEDS have been funded and were developed in partnership between the RRRC and the Nelson, Pembina, and Walsh County Job Development Authorities, Grand Forks Region Economic Development Corporation, Grand Forks County, City of Grand Forks Office of Urban Development, ND Department of Commerce Division of Community Services, US Department of Commerce Economic Development Administration, and the USDA Rural Development. The strategic planning process utilized for the development of the county level strategic plans was designed by Building Communities, Inc. RRRC staff developed the CEDS including Dawn Keeley, Executive Director; Jolene Halldorson, Development Strategist; Lori Estad, Office and Fiscal Manager; and Cheryl Osowski, Facilitator.



Section 1

Planning Organization and Strategy Committee

Legal Structure

Regional planning councils in North Dakota were organized under a joint powers agreement as outlined in Section 54-40-08 of the North Dakota Century Code in the early 1970s. In 1977, the North Dakota Legislature passed legislation to clarify the functions and duties of the regional organizations. Chapter 54-40.1.1 prescribes powers and duties which are included within the general framework of coordinating the planning and development of all matters deemed to be of a regional concern. Economic planning is mandated by the state provided that economic development is identified as a regional concern.

Regional Council Membership

Section 54-40-1.03 of the North Dakota Century Code outlines minimum requirements for regional council membership:

- Majority of the full regional council membership must be composed of existing elected city officials and county commissioners selected by their respective governing bodies;
- One member may represent identifiable and organized minority groups within the region;
- One member must be a soil conservation district supervisor from each county;
- One or more members selected by local development corporations; and
- Chairman of regional employment training council or designee.

The RRRRC Bylaws also include the Mayor or Mayor's designee of the City of Grand Forks. Board members are appointed for a four year term.



Table 1.1: RRRC Board of Directors

Red River Regional Council Board of Directors				
8/1/2014				
Name	Representation	Current Term	Initial Appointment	
Grand Forks County				
Cynthia Pic	Grand Forks County	2013-2016	2009	
Michael Brown	City of Grand Forks	2011-2014	2010	
Steven Sand	Soil Conservation District	2014-2017	2014	
Nelson County				
Maynard Loibl	Nelson County	2013-2016	2013	
Todd Whitman	City of Aneta	2013-2016	2012	
Jennifer Zacha	Soil Conservation District	2014-2017	2014	
Pembina County				
Hetty Walker	Pembina County	2013-2016	2013	
Ardis Olson	City of Drayton	2013-2016	2007	
Kristina Halverson	Soil Conservation District	2012-2015	2012	
Walsh County				
Allen Ruzicka	Walsh County	2012-2015	2003	
Dan Stenvold	City of Park River	2012-2015	2007	
Carol Ondracek	Soil Conservation District	2011-2014	2011	
Other				
Keith Lund	City of Grand Forks	2013-2016	2013	
Andy Adamson	Local Development Corporations	2010-2013	2007	
Mary Houdek	Job Service North Dakota	2010-2013	2006	
Rebecca Chyle	Private Sector	2013-2016	2013	



Regional Strategy Committee

The process for the development of the CEDS included the development of four county economic development plans for Grand Forks, Nelson, Pembina and Walsh Counties in partnership with local development corporations and county job development authorities. There was a county Strategy Committee formed to lead the development of each of the four county plans. Section 6 includes detailed information of the County Strategy Committees.

Upon completion of the county economic development strategic planning sessions, the Regional Strategy Committee was formed and includes:

- RRRC's Economic Development Committee;
- Selected members from the County Strategy Committees;
- Additional interested parties/leaders; and
- Regional professional development staff (ex officio).

Table 1.2: Regional Strategy Committee

Regional Strategy Committee			
Name	Affiliation	Areas of Interest	Race/Gender
Private Sector Representatives: 12 of 22, 55%			
Bowersox, Bruce	Nelson County Health Systems, Nelson County Strategy Committee	Healthcare	White/Male
Brooks, Elaine	Elaine's House of Dreams, Nelson County Strategy Committee, Nelson County Job Development Authority	Retail	White/Female
Burian, Steve	Advanced Engineering and Environmental Services, Grand Forks Region Economic Development Corporation, Valley Prosperity Partnership	Water	White/Male
Campbell, Tom	Campbell Farms, State Legislature	Agriculture/State Government	White/Male
Dunn, Mike	Construction Engineers, Red River Regional Council	Construction	White/Male
Leighton, Mike	Ameriprise Financial, Walsh County Strategy Committee	Finance/Philanthropy	White/Male
Misialek, Ellen	Harriston Industries, Walsh County Strategy Committee	Manufacturing	White/Female
Paulson, Gary	First United Bank, Red River Regional Council	Finance	White/Male



Pic, Cynthia	West-Pic Travel and Tours, Red River Regional Council, Grand Forks County Strategy Committee, Grand Forks County	Tourism	White/Female
Trosen, Dale	Titan Machinery, Grand Forks County Strategy Committee	Agriculture/Construction	White/Male
Weimer, Harold	CHS, Inc., Pembina County Strategy Committee	Agriculture	White/Male
Wellman, Charles	KodaBank, Pembina County Strategy Committee, Pembina County Job Development Authority	Finance	White/Male
Other Representatives: 10 of 22, 45%			
Adamson, Andy	Local Development Corporations, Red River Regional Council	Rural Community and Economic Development	White/Male
Baumbach, Brandon	Emerado Community Coalition	Rural Community Development	White/Male
Duerre, Michael	ND Parks and Recreation Department	Recreation/Tourism	White/Male
Houdek, Mary	Job Service North Dakota, Grafton Economic Development, Walsh County Job Development Authority, Pembina County Job Development Authority	Workforce Development	White/Female
Jelinek, Kristy	Grafton Parks and Recreation	Recreation/Tourism	White/Female
Stenvold, Dan	City of Park River, Red River Regional Council	Rural Community and Economic Development	White/Male
Wagner, Mark	North Valley Career and Technology Center	Education/Workforce Development	White/Male
Weber, Bret	University of North Dakota, City of Grand Forks	Education/City Government	White/Male
Whitman, Todd	City of Aneta, Red River Regional Council	Rural Community and Economic Development	White/Male
Anderson, Karen	Walsh County Strategy Committee, Walsh County Job Development Authority, Walsh County	Rural Community and Economic Development	White/Female



Ex Officio Representatives:

Campbell, Julie	Walsh County Job Development Authority	Rural Community and Economic Development	White/Female
Halldorson, Jolene	Pembina County Job Development Authority, Nelson County Job Development Authority, Red River Regional Council	Rural Community and Economic Development	White/Female
Keeley, Dawn	Pembina County Job Development Authority, Nelson County Job Development Authority, Red River Regional Council	Rural Community and Economic Development	White/Female
Lund, Keith	Grand Forks Region Economic Development Corporation, Red River Regional Council, Economic Development Association of North Dakota	Economic Development	White/Male
McCoy, Bryan	Cavalier Chamber of Commerce/Economic Development, Pembina County Job Development Authority, Pembina County Strategy Committee	Rural Community and Economic Development	White/Male
Sando, Terry	Grand Forks Region Economic Development Corporation	Economic Development - Unmanned Aerial Systems	White/Male
Vasichek, Amie	City of Lakota, Nelson County Strategy Committee	Rural Community and Economic Development	White/Female
Ziegelmann, Nick	City of Grafton, Grafton Economic Development, Walsh County Strategy Committee	Rural Community and Economic Development	White/Male



Section 2

Background

Introduction

Section 2: Background and Section 3: Analysis of Economic Development Problems and Opportunities (with the exception of the Region IV Identified Strengths and Weaknesses at the end of Section 3) were developed by David T. Flynn, Ph.D., Bureau of Business and Economic Research and Department of Economics, College of Business and Public Administration, University of North Dakota. Dr. Flynn prepared and presented a summary presentation at a public forum hosted by the RRRC Board of Directors held at the RRRC on March 20, 2014. A copy of the presentation materials are provided in Appendix A. Dawn Keeley, RRRC Executive Director, also provide an abbreviated version of this study at each of the four county Strategy Committee meetings.

Summary

The following report details various aspects of the social and economic trends and history of Region IV in northeast North Dakota. This report is a part of the Comprehensive Economic Development Strategy (CEDS) process undertaken by the Red River Regional Council and is at the request of its Board of Directors. The data contained in the report are provided to assist the further planning and strategy process of the director, the regional council, and the various partner organizations in the process. The situation in many states is one of fiscal crisis, necessitating service reductions and tax increases. The communities in North Dakota and Region IV have a chance to plan and convert current economic benefits into long run economic development opportunities.

No region is defined completely by data. Quantitative information is only metric incorporated into a successful planning process, whether this is an economic development plan, a business plan, or succession plan. As a result, data require interpretation and explanation to fully exploit their value. Some of that is provided here, but the planning process the Regional Council is commencing will further this analysis to make maximum use of the information generated here.

No region is completely defined by its past. The past tells us where we came from, and does not completely dictate where we are going. One need look only to the introduction of Unmanned Aerial Systems (UAS) into the region's economic portfolio to understand that changes occur all the time, and that those changes can completely alter the direction of an economy. It was George Santayana who said, "those who cannot remember the past are condemned to repeat it." This is never more true than when addressing the twin issues of economic growth and development. It is vital to know what happened in the past. It is even more vital to learn from the past, both our successes and our failures. That is the spirit in which this report is provided.

The background information provided in Section 3 show a strong economy in Region IV with a few key sectors, such as agriculture, leading the way. The government sector plays a large role in regional employment, which may require discussion by the group. While the State of North Dakota is enjoying economic prosperity of a depth and duration not seen other places in the United States, it does not have



to continue in this fashion. That is, there could be stumbles in the state economy. Other fundamentals for the region remain strong too. There is an educated workforce in place with potential partners for training and further education programs if needed by employers in the region. Retail trade and manufacturing successes also speak to the diversity of the economic performance and strength in the region. Section 3 details the economic development opportunities and threats, in broad terms as well as specific scenarios to consider. Strengths and opportunities need to be exploited and leveraged as foundational pieces for further economic growth and development. The threats are real and need to be addressed and possibly neutralized. The most important threat mentioned may be the relative performance of the Region IV economy compared to the rest of the state. Western North Dakota is growing rapidly, at times chaotically, into the lead economic region in the state. This is a potential threat to the standing of Region IV with entities like the state legislature.

There are three specific scenarios covered in Section 3, one negative, one positive, and one uncertain. The negative is continued hard times for Region IV sugar beet growers and lower payments to them. The consequences of this to the broader economy are a key part of the information provided. The introduction of UAS into the regional economy is also considered. While still in the preliminary stages, the growth potential for the region from this addition is substantial. Economic development officials across the region need to consider the implications of UAS and how it might be leveraged in areas for which they are responsible. Lastly the consequences for Region IV growth from continued growth in the western North Dakota “Oil Patch” are modeled. The difficulties of modeling these effects are discussed at length. What is clear is that western North Dakota represents a growth opportunity for the right business segments in the Region IV economy.

Region IV

Region IV is in northeastern North Dakota is comprised of the counties of Grand Forks, Nelson, Pembina, and Walsh. In total, these counties account for 4,281 square miles.¹ The Region IV economy is diversified with significant economic activity in agriculture, medicine, wholesale trade, and higher education.

Economic Fundamentals

The MIG IMPLAN² database and software is the primary tool used for economic impact analysis and economic sector analysis. The MIG system lists 440 distinct sectors of economic activity including agriculture, manufacturing, retail trade, various levels of government, and households. Of the 440 sectors in the IMPLAN system a total of 185 are present in the Region IV economy. Table (2.1) displays the top ten sectors by employment. The highest employment sector in Region IV was *State and Local Government, non-education*, accounting for 8.5% of regional employment. In a similar fashion, table (2.2) displays the top ten output sectors in the Region IV economy. The highest output sector was *Wholesale trade businesses*, accounting for 4.6% of total Region IV output.

The significant presence of government sectors in Tables (2.1) and (2.2) is important to note. Three of the top employment categories, and four of the top output categories, are tied to government. The share of employment in these government sectors is over 19% while the combined share of output for the

¹ North Dakota Quick Facts, U.S. Census Bureau.

² MIG, Inc., IMPLAN system (2011 data and software) 502 2nd Street, Suite 301, Hudson, WI 54016, www.implan.com



government sectors is 13.3%. Federal, state, and local spending decisions can therefore have a significant impact on the economic health and vitality of the Region IV economy.

Agricultural production appears in tables (2.1) and (2.2) as well. Grain farming was the eighth largest employer and third largest output sector, accounting for 2.8% of Region IV employment and slightly more than 4% of output. Sugarcane and sugar beet farming was the odd break in the sentence ninth largest employer and did not crack the top ten in output.³

Certain narrow sectors are notable by their absence.⁴ Aside from Food services and drinking places there were no other retail trade sectors listed in the top ten of either employment or output. These sectors exist but are not large enough, individually, be in the top ten. The combined retail sectors for Region IV totaled 12.3% of employment and 6.2% of output. In addition, only Turbine & turbine generator set units manufacturing made the list from the manufacturing sector. Manufacturing employment accounted for 4.8% of employment and 17.3% of output. Clearly, there are numerous manufacturing establishments in the Region IV economy, but they are spread across diverse sectors. As table (2.3) illustrates, there is employment in all the major NAICS categories. However, the question to ask, and part of the planning process this document inform, is where employment concentrations should be going? The optimal mix of employment by sector will likely differ across regions so there are no clear, definitive benchmarks against which performance can be assessed.

⁴These numbers refer to an aggregated version of the IMPLAN 440 sector model. It was aggregated to be consistent with a two digit version of the North American Industrial Classification System (NAICS). These are presented in table (2.3).

Table 2.1: Top ten employment sectors, Region IV and Counties

Sector	Region IV	Grand Forks	Nelson	Pembina	Walsh
State/local gov't, non-education	5,774	3,691	221	530	1,333
State/local gov't, education	4,782	4,221	59	143	359
Food services & drinking places	4,349	3,843	72	187	247
Private hospitals	2,942	2,660	33	76	172
Military	2,449	2,239	25	96	89
Wholesale trade businesses	2,409	1,505	123	360	422
Nursing/residential care facilities	2,389	1,592	188	161	449
Grain farming	1,934	623	488	274	549
Sugar beet farming	1,708	449	0	571	689
Health practitioner offices	1,644	1,511	15	20	97

Source: MIG IMPLAN database, 2011. The top ten sectors are based on employment for the region as a whole.

³ For output the sector ranked fourteenth in Region IV

⁴ These numbers refer to an aggregated version of the IMPLAN 440 sector model. It was aggregated to be consistent with a two digit version of the North American Industrial Classification System (NAICS). These are presented in table (2.3).



Table 2.2: Top ten output sectors, Region IV and counties (\$ millions)

Sector	Region IV	Grand Forks	Nelson	Pembina	Walsh
Wholesale trade businesses	\$392.6	243.8	17.9	61.3	78.0
Military	363.6	338.7	2.5	13.4	5.8
Grain farming	345.1	113.6	50.4	90.4	90.8
Private hospitals	338.7	309.1	3.4	7.8	18.4
State/local gov't, non-education	309.3	215.8	9.8	19.4	60.9
Depository intermediation activities	276.9	180.2	20.7	38.7	37.3
Turbine & generator manufacturing	265.0	265.0	0	0	0
Federal gov't, non-military	234.5	168.3	1.8	61.3	3.1
State/local gov't, education	231.5	210.1	2.2	5.2	14.0
Health practitioner offices	218.4	205.8	0.8	2.0	9.7

Source: MIG IMPLAN database, 2011. The top ten sectors are based on output for the region as a whole. Imputed rental activity for owner occupied dwellings excluded.



Table 2.3: Aggregated employment sectors, Region IV

Sector	Grand Forks	Nelson	Pembina	Walsh	Reg. IV	% of total
Agriculture,	1,946	799	1,062	1,658	5,464	8.0
Mining	675	0	22	11	708	1.0
Utilities	259	5	4	10	278	0.4
Construction	2,382	35	311	280	3,009	4.4
Manufacturing	2,060	40	626	537	3,262	4.8
Wholesale trade	1,505	123	360	422	2,409	3.5
Retail trade	7,201	131	459	607	8,398	12.3
Transportation &	1,398	41	167	321	1,928	2.8
Information	464	6	16	130	616	0.9
Finance & insurance	1,327	353	331	394	2,405	3.5
Real estate & rental	923	26	164	95	1,209	1.8
Professional, scientific &	2,207	36	133	178	2,554	3.7
Management of companies	137	0	3	0	140	0.2
Administrative & waste	1,959	17	115	142	2,232	3.3
Educational services	437	2	20	8	467	0.7
Health & social services	7,787	251	334	826	9,199	13.5
Arts, entertainment &	1,599	8	78	75	1,760	2.6
Accommodation & food	4,435	89	215	280	5,018	7.4
Other services	2,141	90	234	322	2,787	4.1
Government & non-NAICS	11,153	342	1,027	1,877	14,399	21.1
Total	51,994	2,394	5,680	8,173	68,240	100.0

Source: MIG IMPLAN database, 2011. Region IV model composed of Grand Forks County, Nelson County, Pembina County, Walsh County. 440 sector model aggregated to 2-digit NAICS level and sorted ascending by NAICS code.



Relative Earnings Share

In addition to the point in time discussed in the previous section, a quick examination of recent trends in earnings illustrates important sectors and the dynamic changes experienced in some of the sectors in the Region IV economy recently. The first decade of the 21st century was a good one for agriculture. While there was certainly volatility the general track for earnings was up. The real value of farm earnings in Region IV increased by 173%, evidenced by the data presented in table 2.4.¹ Grand Forks County saw an increase in real farm earnings of over 300%. If that is not enough, Nelson County real farm earnings in 2012 were more than 425% the level in 2001. Pembina was up nearly 110% in this time as well. The lowest increase level in this time frame was Walsh County, and the real farm earnings there were up 73% from 2001 to 2012. This is a phenomenal growth experience and the share of farm earnings as a percent of total earnings obviously increased in the region over this time. So sector shares that stayed constant would clearly have seen growth over this time, but not enough to surpass what occurred with farm earnings.

Table 2.4: Region IV County real farm earnings, 2001-2012, (thousands 2012 \$s)

Year	Grand Forks	Nelson	Pembina	Walsh
2001	50,009	11,360	58,835	59,678
2002	55,579	18,702	59,022	55,461
2003	83,912	35,617	84,547	64,838
2004	41,182	12,344	46,579	38,338
2005	38,816	14,644	40,602	44,810
2006	49,559	5,059	72,036	44,836
2007	82,277	29,194	71,599	56,374
2008	119,242	53,227	117,893	98,886
2009	89,994	30,274	64,410	54,297
2010	126,220	25,551	95,613	77,418
2011	78,190	24,130	44,652	31,814
2012	204,282	59,925	123,156	103,785

Source: Bureau of Economic Analysis, Table CA05N. Price index information taken from Bureau of Labor Statistics.

¹ From the Bureau of Economic Analysis: Farm Earnings is comprised of the net income of sole proprietors, partners and hired laborers arising directly from the current production of agricultural commodities, either livestock or crops. It includes net farm proprietors’ income and the wages and salaries, pay-in-kind, and supplements to wages and salaries of hired farm laborers; but specifically excludes the income of farm corporations. This was adjusted using CPI data to get inflation-adjusted numbers.

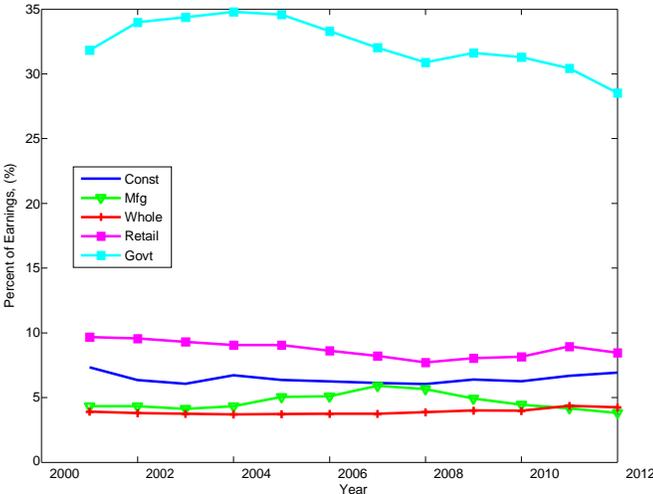


Figures 2.1 to 2.4 display the share of earnings for selected industries in the four counties in Region IV. The selected industries were construction, manufacturing, wholesale, retail, and government. These sectors were selected to validate results from other data resources, but also to provide information about the trends in these industries over time. The performance of these sectors is as a share of total earnings, farm plus non-farm earnings.

Since 2004, the government sector generated the highest percentage of non-earnings for each of the four counties in Region IV. It was only for Pembina County (figure 2.3) from 2001 to 2003 that another sector was higher. That sector was manufacturing. Pembina was also the only County to see manufacturing earnings rise above ten percent during this time. The overall trend for the share of earnings tied to government is down across the region, though at varying paces in different counties and with significant yearly variation.

Manufacturing earnings in the four counties were either declining or remaining low since 2001.² In 2001, Pembina County had manufacturing activity at nearly 25% of earnings, but that level decline to less than 15% by 2012. In Walsh County the manufacturing share peaked in 2004 at a bit more than 10% and then declined to less than 6% by 2012. Grand Forks County and Nelson County did not see manufacturing earnings as a share of total earnings rise much above 5% in this time frame. With such a large share of regional output, the lower level of earnings is a bit of a surprise but not entirely unexpected. Economic development groups push to gain critical mass for manufacturing activity in the region. Manufacturing is still responsible for less than 5% of regional employment.

Figure 2.1: Share of total earnings for select industries, Grand Forks County, 2001-2012



Source: Bureau of Economic Analysis. Table CA05N

² Privacy restriction limit our discussion over much of this time period to Grand Forks, Pembina, and Walsh counties. The data are not available for Nelson County except for four years. Those years are consistent with the situation in the counties with complete data.

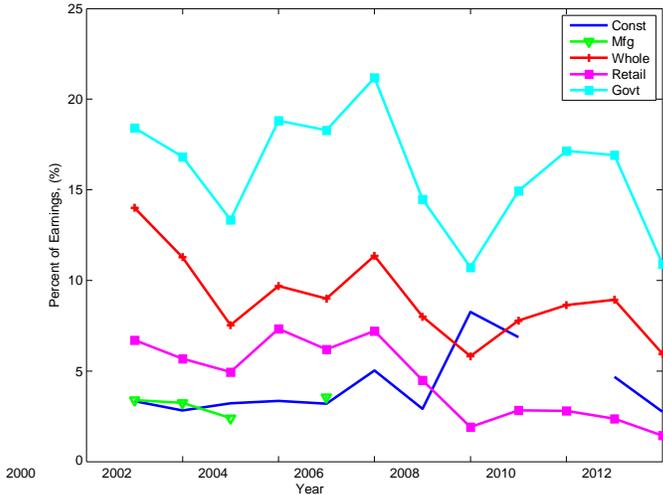


Retail trade was a small share of earnings in the various counties. It reached the highest share in Grand Forks County, at just under 10% in 2001, and declining to around 8.5% by 2012. Similar, small declines were experienced in the other counties as well. The most significant drop came from Nelson County (figure 2.2) where the share went from 6.7% in 2001 to 1.4% in 2012.

Construction activity is notable because in every County except Grand Forks County there was a notable increase in the sector’s earnings share from 2007 to 2008, and then a decline. While not a boom, there was clearly a surge of construction activity that contributed to earnings share growth in these counties. In Grand Forks, construction share started 2001 at 7.4%, dropped to a low of 6.0% in 2008, and increased to 6.9% by 2012.

The wholesale sector is included because it grew in three of four counties in Region IV from 2001 to 2012. The wholesale sector dropped from 14% of 2001 earnings in Nelson County to around 6% by 2012. However, in Walsh County over that time the share grew from 8.2% to 11.4%, and had been higher prior to 2012. Grand Forks and Pembina counties display a pattern similar to Walsh County, but with smaller shares. Pembina saw shares increase from 5% to 6.2% while Grand Forks County climbed from 3.9% to 4.2%.

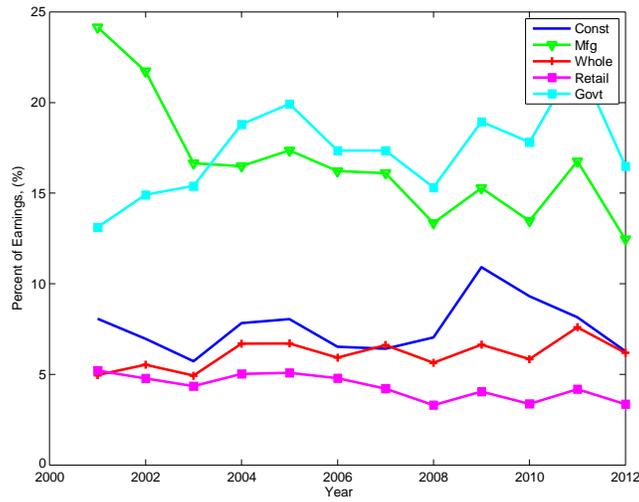
Figure 2.2: Share of total earnings for select industries, Nelson County, 2001-2012



Source: Bureau of Economic Analysis. Table CA05N

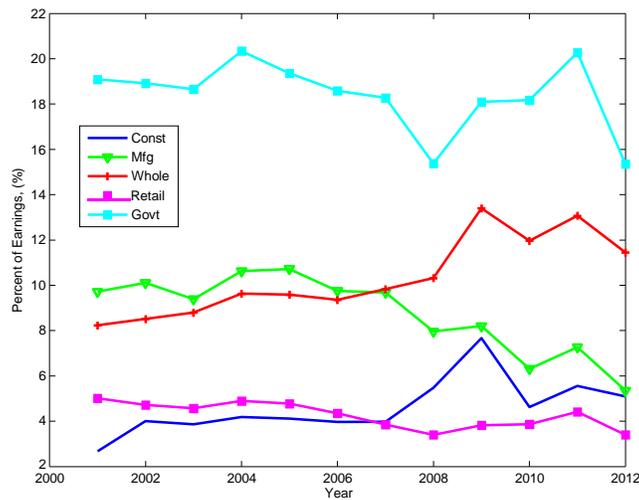


Figure 2.3: Share of total earnings for select industries, Pembina County, 2001-2012



Source: Bureau of Economic Analysis. Table CA05N

Figure 2.4: Share of total earnings for select industries, Walsh County, 2001-2012



Source: Bureau of Economic Analysis. Table CA05N



Population Trends

The 2012 Region IV population was 88,869 in 2012. This represented an increase of 0.4% from the 2010 Census reading and was a better than 2% decline from the 2000 Census. Table 2.5 provides information on the total change in the region from 1980 to 2012 and then breaks out Grand Forks city and deducts Grand Forks city from the regional total as well.

From 1990 to 2000 Region IV lost 7.51% of population, and again from 2000 to 2010 Region IV lost 2.51% of population. In fact, if we remove Grand Forks city population from Grand Forks County, then every single County lost population between every time period. Grand Forks County, and in fact Grand Fork city, is the only source of population growth in Region IV over the time period collected. The pace of decline in the region excluding Grand Forks has been slowing though. Over this time period Grand Forks city went from 45% of the population in Region IV to 60% of the population. There are two factors at work here, one is the increase in the Grand Forks city population, but there is also the fact that the overall Region IV population declined by 8.48%.

Table 2.5: Population 1980-2012, Region 4

Region	1980	1990	2000	2010	2012	1990-00	2000-10	2010-12
Grand Forks	66,100	70,683	66,109	66,861	67,472	-6.471%	1.14%	0.91%
Nelson	5,233	4,410	3,715	3,126	3,080	-15.7%	-15.86%	-1.47%
Pembina	10,399	9,238	8,585	7,413	7,271	-7.07%	-13.65%	-1.92%
Walsh	15,371	13,840	12,389	11,119	11,046	-10.48%	-10.25%	-0.66%
Total	97,103	98,171	90,798	88,519	88,869	-7.51%	-2.51%	0.40%
Grand Forks City	43,765	49,425	49,321	52,838	53,456	-0.21%	7.13%	1.17%
Region IV less GF City	53,338	48,746	41,477	35,681	35,413	-14.91%	-13.97%	-0.75%

Source: County Data from Census Bureau County Quick Stats. Grand Forks city data from Census Quick Stats and Historical Census Statistics On Population Totals By Race, 1790 to 1990, and By His-panic Origin, 1970 to 1990, For Large Cities And Other Urban Places In The United States.

Figures 2.5 and 2.6 also display evidence of the increasing weight of Grand Forks city when it comes to population in Region IV.¹ In 1980, the city of Grand Forks accounted for 45% of the population in Region IV, with an additional 23% of the region's population coming from the non-city portion of Grand Forks County. That total of 68% grew to 76% by 2012, with 60% of regional population coming from the city of Grand Forks and an additional 16% coming from the non-city portion of Grand Forks County. The other three counties all shrank as a share of total regional population.

¹ These pie charts are based on the same data found in table 2.5.



The concentration of the population into the city of Grand Forks has important implications for the local economies in the region. There should be concerns regarding the economic vitality in the other areas, including Grand Forks County outside of the city. The loss of population can create shortages in local labor markets that force businesses to relocate closer to their workforce. An additional consideration for some businesses will be moving closer to their customer base, and if these individuals are relocating to Grand Forks city that will lead to concentrations of economic activity in one location. This creates difficulties for those businesses that stay as they will have further issues finding local suppliers and local customers. Businesses providing amenities to local workforces, such as movie theaters or restaurants, will also find the population center a more attractive place to locate. These type of concentration risks require careful consideration and response as there are few good policy options available to local areas to reverse such trends.

Figure 2.5: 1980 Population, Region IV

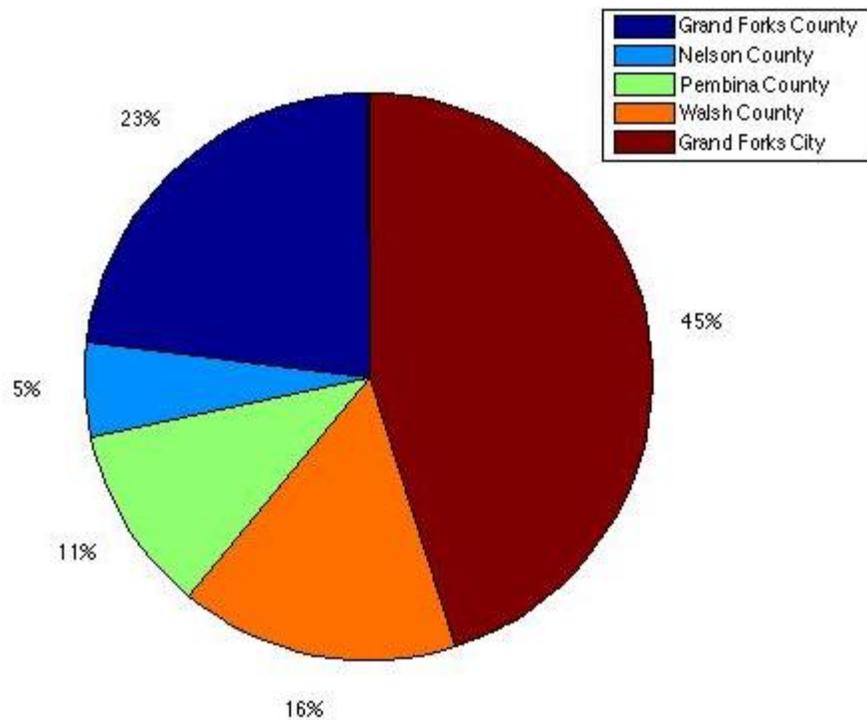
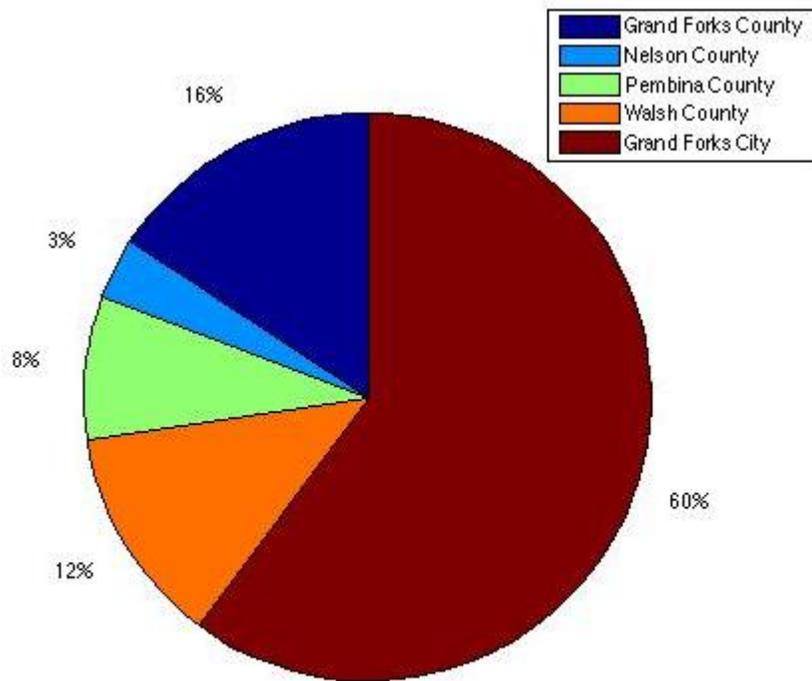


Figure 2.6: 2012 Population, Region IV



Age Factors

The median age data from table 2.6 indicates that Region IV is aging at a rate faster than the state of North Dakota as a whole. This is a concerning trend for the demographic and economic health of Region IV. In the two years since the 2010 census the state of North Dakota saw the median age drop by almost a full year, a monumental demographic change. This put the state at a median age level below that from the 2000 Census. The experience of the different counties in Region IV shows minimal change in one case, but for the most part the counties experienced an increase in the median age. The experience of the different areas within Region IV make generalizations difficult so the discussion will include a look at each County.

From 2000 to 2012 the median age for Grand Forks County, city, and non-city portion of the County stayed roughly the same. The largest change was for the non-city portion of the County where the median age increased by over 2.5 years. The city median age stayed the same over this time essentially and because the city is such a large share of County population we see the same pattern emerge for the County inclusive of the city. This is the only area in Region IV where the median age is less than the state of North Dakota as a whole, though the non-city portion of Grand Forks County approached the state level by 2012. These breakouts for Grand Forks are also the only part of Region IV with a median age below 40 years old in the data.



Nelson County started above the state median age in 2012 by 11 years at 47.2 years. Unfortunately the median age got even higher with values of 51.5 in 2010 and 51.4 in 2012. Nelson County is consistently the highest median age in Region IV and was 15 years above the state median age in 2012.

Median age in Pembina County was 5 years above the state level in 2000 at 41.6 years. By 2012 the median age increased to 47.1 years, indicative of another county aging rapidly and moving against the pattern in the state at large. While the median age is below the level for Nelson County the increase in the median age for Pembina from 2000 to 2012 was the highest in Region IV at 5.5 years.

Median age in Walsh County was 40.9 years in 2000 and climbed to 45.6 years in 2012. That increase was the second highest in Region IV over the time period and represents the second youngest population by County in Region IV. Walsh, like other counties, saw a slight improvement in median age level from 2010 to 2012, but there is not enough time elapsed yet to determine if this is a trend reversal or just a slightly lower reading.

Table 2.6: Median age by geographic area, 2000-2012

Region	2000	2010	2012
North Dakota	36.2	37.0	36.1
Grand Forks	29.2	29.7	29.5
Nelson	47.2	51.5	51.4
Pembina	41.6	46.7	47.1
Walsh	40.9	45.9	45.6
Grand Forks City	28.3	28.4	28.2
GF County*	31.8	34.6	34.5

Source: 2012 data from U.S. Census Bureau, 2008-2012 American Community Survey. 2000 and 2010 data taken from 2000 and 2010 Census. GF County* data calculated by author from Grand Forks County and city data.

The median age is an important factor, but a sense of the larger age distribution is also important in determining the economic vitality of an area. Tables 2.7 and 2.8 provide a better sense of this distribution for the areas in Region IV. Table 1.7 provides the data for Grand Forks County, Grand Forks city, and then the author provides the non-city portion of Grand Forks County. Table 2.8 displays the same data for Nelson, Pembina, and Walsh counties. The age categories reported are *under 18, 18-24, 25-44, 45-64, and -over 65*. These different groupings allow us to examine, for the most part, individuals in distinct phases of their life, such as *early career, mature career, and retirement*.

The bulk of the population of Grand Forks County resides in the city of Grand Forks. There are potentially significant economic development implications if the age distribution between the city and “rural” parts of the County display large and significant differences. There are important difference between the two portions of Grand Forks County in the *under 18* and *18-24* age



categories. In Grand Forks city 18% of the population is under age 18, while in the rest of the County it is 24.4%. A greater percentage of the non-city Grand Forks County population is under age 18. Within the city of Grand Forks 25.7% of the population is aged 18 to 24. In the rest of Grand Forks County this age group is only 10.3%. This difference is not too surprising given the presence of the University of North Dakota in the city of Grand Forks. This may act against certain development initiatives in the rest of Grand Forks County though, if early working age people tend to reside in the city more. While this data is far from conclusive it clearly raises the possible need for further investigation to determine the timing and reason for departure by 18 to 24 year olds from the non-city portions of Grand Forks County.

Table 2.7: Age breakdown for Grand Forks County, City and County less City, 2000-2012

Region/Age Group	2012	%	2010	%	2000	%	%Δ (2000-12)
<i>Grand Forks County</i>							
Total	67,472		66,861		66,109		
Under 18	13,084	19.4	13,421	22.3	15,735	23.8	-16.8
18-24	15,079	22.3	14,425	12.0	12,985	19.6	16.1
25-44	16,874	25.0	16,746	24.6	19,020	28.8	-11.3
45-64	15,125	22.4	15,366	26.5	12,001	18.2	26.0
Over 65	7,310	10.8	6,903	14.5	6,368	9.6	14.8
<i>Grand Forks City</i>							
Total	52,773		52,838		49,321		
Under 18	9,499	18.0	9,736	18.4	10,565	21.4	-10.1
18-24	13,563	25.7	13,025	24.7	11,274	22.9	20.3
25-44	13,035	24.7	13,266	25.1	13,638	27.7	-4.4
45-64	11,346	21.5	11,475	21.7	9,008	18.3	26.0
Over 65	5,436	10.3	5,336	10.1	4,836	9.8	12.4
<i>Rural Grand Forks County</i>							
Total	14,699		14,023		16,788		
Under 18	3,585	24.4	3,685	26.3	5,170	30.8	-30.7
18-24	1,516	10.3	1,400	10.0	1,711	10.2	-11.4
25-44	3,839	26.1	3,480	24.8	5,382	32.1	-28.7
45-64	3,779	25.7	3,891	27.7	2,993	17.8	26.3
Over 65	1,874	12.8	1,567	11.2	1,532	9.1	22.3

Source: 2012 data from U.S. Census Bureau, 2008-2012 American Community Survey. 2000 and 2010 data taken from 2000 and 2010 Census. Rural Grand Forks County data calculated by author from Grand Forks County and city data.



Over time there has been some change in the age distribution in the Grand Forks data. The share of the population under age 18 declined from the 2000 Census through the 2012 data reading. Those over age 65 remained reasonably stable over this time. For the non-city portion we see the population age some as those aged 25 to 44 in the 2000 Census start entering the 45 to 64 age category in the 2010 Census.¹

There is one remarkable difference between the numbers in table 2.7 and table 2.8 and that is the percentage of the population over 65. Nelson, Pembina, and Walsh counties all have population over 65 above 20% in 2012.² Large differences in the age distribution likely lead to differences in goods and services demanded by the populations in these areas. It can be particularly acute when there is such a significant difference in the numbers in younger categories and older categories.³

Consistent with the median age data reported in table 2.6 we see the shares of population in older age categories increasing from 2000 to 2012. For example, those aged 45 to 64 made up less than 25% of the population in Pembina County in 2000, but were 32.2% of the population by 2010, and remained 32.1% of the population by 2012. A similar pattern exists for Walsh County, with those aged 45 to 64 making up 24.2% of the population in 2000, 31% in 2010, and 30.2% in 2012. Nelson County had an older population to begin with in 2000, but also saw the percentage in older age categories grow over time too.

¹ The share of the population aged 25 to 44 dropped by 25% from 2000 to 2010 while the share of the population aged 45 to 64 increased by over 55%.

² In the case of Nelson County this is well above that level with a reading of 27.3%

³ As an example, the demand for medical services likely increases with age as the cumulative effect of chronic conditions starts to take a more significant toll on individuals.



Table 2.8: Age breakdown for Nelson, Pembina & Walsh Counties, 2000-2012

Region/Age Group	2012	%	2010	%	2000	%	%(2000-12)
<i>Nelson County</i>							
Total	3,115		3,126		3,715		
Under 18	579	18.6	560	17.9	820	22.1	-29.3
18-24	162	5.2	161	5.2	148	4.0	9.5
25-44	514	16.5	513	16.4	755	20.4	-31.9
45-64	1,006	32.3	1,034	33.1	973	26.2	3.4
Over 65	850	27.3	858	27.4	1,019	27.4	-16.5
<i>Pembina County</i>							
Total	7,383		7,413		8,585		
Under 18	1,580	21.4	1,600	21.6	2,140	24.9	-26.2
18-24	436	5.9	448	6.0	533	6.2	-18.3
25-44	1,491	20.2	1,491	20.1	2,113	28.3	-29.4
45-64	2,370	32.1	2,385	32.2	2,125	24.8	11.5
Over 65	1,514	20.5	1,489	20.1	1,674	19.5	-9.6
<i>Walsh County</i>							
Total	11,131		11,119		12,389		
Under 18	2,460	22.1	2,467	22.2	3,091	24.9	-20.4
18-24	735	6.6	725	6.5	807	6.5	-9.0
25-44	2,260	20.3	2,246	20.2	3,100	25.0	-27.1
45-64	3,362	30.2	3,444	31	3,001	24.2	12.0
Over 65	2,293	20.6	2,237	20.1	2,390	19.3	-4.1

Source: 2012 data from U.S. Census Bureau, 2008-2012 American Community Survey. 2000 and 2010 data taken from 2000 and 2010 Census.

Population Projections

Population projections are an important tool in planning for all aspects of policy, but especially for economic growth and development initiatives. The factors that impact the movement of population variables are complex and varied. Economic factors, such as job or career opportunities, as well as demographic trends, clearly play a role. There are also factors that are more difficult to assess, such as individual preferences for certain attributes in a residence, that also can change quickly. With this in mind, we need to recognize that population projections are subject to rapid change based on changes in the region, but also changes in destination locations as well.

Table 2.9 provides population estimates for the four counties in Region IV for the years 2020, 2025, 2030, and 2040. There is also an estimate for Region IV for those years. This estimate is simply the summation of the individual County estimates. The outlook is for population declines in Nelson, Pembina, and Walsh counties while there will be an increase in population in Grand Forks County. The changes in the counties losing is not really notable.



The losses are relatively small over this time period; no more and a few hundred over a twenty-five year time horizon is a small loss. What is notable is that the gains in Grand Forks County outweigh the losses in other counties so that the Region IV population grows at each projection date and exceeds 100,000 by 2040.

Table 2.9: County population projections, 2020-2040

County	2020	2025	2030	2040
Grand Forks	71,960	74,040	76,140	80,390
Nelson	3,140	3,120	3,100	3,060
Pembina	7,440	7,430	7,410	7,380
Walsh	10,790	10,720	10,660	10,550
Region IV	93,330	95,310	97,310	101,380

Source: 2008 State Profile: State and County Projections to 2040, Woods & Poole Economics, Inc. Washington, D.C. Copyright 2008. Woods & Poole does not guarantee the accuracy of these data.

While the projections support no conclusions they do suggest a need to discuss a variety of factors on a regional basis. The availability and quality of housing stock is one such important factor. Currently the availability, quality, and price of housing is an important policy topic in the city of Grand Forks. Broadening the geography of this discussion may prove important with the projected population losses in Nelson, Pembina, and Walsh counties potentially impacting the housing market in Grand Forks County.¹

Migration

In the fundamental forces of demography, migration is one of the most difficult to explain. The problem is not that we do not know factors that can cause migration, it is that there are simply too many factors that may cause migration. We can observe significantly different motivations for migration when looking at two similar people leaving the same location, at the same time, and heading for the same destination. As a result it is very important for local entities and agencies to evaluate community satisfaction on a regular basis. Given the smaller population sizes of some of the counties and cities in Region IV it is important for economic vitality, and overall community vitality, to understand the factors that are keeping people in the community as well as those making them seek a better location.

Table 2.10 provides the net migration information for Nelson, Pembina, and Walsh counties. The stability of the population in these three counties is one of the most noticeable results. In 2012, 92% of the people in Nelson County were living in the same house they were in one year prior. Only 5% of the population in Nelson County lived outside the County the year prior. There was very little inflow into the community and none from other countries.

¹ The next section presents a discussion of migration in the Region IV counties. It will be seen that many individuals remain in state when they leave their current County of residence. Thus, residents leaving a County such as Nelson County, may be relocating to Grand Forks County.



Pembina County has 86.8% of the residents living in the same house in 2012 as in 2011. In Pembina 7.2% of the population in 2012 lived outside the County, state, or country in 2011. For Walsh County 89.7% of the population lived in the same house as one year prior, and 5% of the population came from outside the County, state, or country. Pembina County experienced the most intra-County relocation, with 6% of 2012 residents still residing in Pembina County, but in a different house.

Table 2.10: Net migration for Nelson, Pembina, and Walsh counties

Residence 1 year ago	Nelson		Pembina		Walsh	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Population 1 year +	3,079		7,286		10,997	
Same house	2,854	92.7	6,326	86.8	9,868	89.7
Different house, same County	72	2.3	437	6.0	578	5.3
Different house & County	86	2.8	323	4.4	287	2.6
Different state	67	2.2	179	2.5	231	2.1
Abroad	0	0.0	21	0.3	33	0.3

Source: U.S. Census Bureau, 2008-2012 American Community Survey, Table DP02.

Table 2.11 provides the same type of numbers as table 2.10, but for Grand Forks County, the city of Grand Forks, and the non-city portions of the County. The County level estimate for people living in the same house as one year ago is 77.0%. However, there is a significant diff between the two parts of the County. The city portion is only 74.2% while the non-city portion is 87.5%. The non-city portion resembles the other three counties very closely, it is the city of Grand Forks that displays different behavior. That the city displays a lower level is not surprising given the location of the University of North Dakota. The concentration of undergraduate and graduate students, a younger and more mobile portion of the population, makes this a likely outcome. Those living in a different house, but the same County, is 13.0% for Grand Forks city, but is only 4.8% for those outside the city. Once again the non-city portion of the County mirrors what occurred in Nelson, Pembina, and Walsh counties. The presence of the university also explains the higher numbers of residents from out of state and abroad though here the non-city part of the County is higher than in the other three counties.

As mentioned above, the existence of the University of North Dakota would, for most people, make the distinctions between the numbers for Grand Forks and the other three counties in Region IV unremarkable. However, what table 1.11 shows is that parts of the County look very much like the other three. The size of the city of Grand Forks, and the large share of the County population it represents make the aggregate County numbers deceptive. Once again, it would seem that any given policy might be expected to have different effects on the city of Grand Forks and the rest of the Grand Forks County.



Table 2.11: Net migration for Grand Forks County, Grand Forks city, and the non–city part of GF County

Residence 1 year ago	County		City		County*	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Population 1 year +	65,997		52,055		13,942	
Same house	50,808	77.0	38,613	74.2	12,195	87.5
Different house, same County	7,453	11.3	6,781	13.0	672	4.8
Different house & county	1,800	2.7	1,722	3.3	78	0.6
Different state	5,145	7.8	4,413	8.5	732	5.3
Abroad	791	1.2	526	1.0	264	1.9

Source: U.S. Census Bureau, 2008–2012 American Community Survey, Table DP02. County* is the portion of the County excluding the city of Grand Forks.

Labor force

Local, regional and state economic performance is fundamentally impacted by the labor market and the characteristics of the labor force. Region IV did not experience the overall growth or stability that one would like in the labor market over this period.

The Region IV labor force experienced a 7.6% decline from 2008 to 2012.¹ Every subregion reported in table 2.12 also saw a decline from 2008 to 2012. Declines in the labor force occur for many reasons, such as the relocation of a major employer, generally poor economic conditions leading to downsizing at many firms or many other circumstances. The decline in the labor force is clearly of concern on its own, but with the additional information about the aging of the regional population it becomes of even greater concern.

Once again it becomes evident that there are, in fact, five sub–regions within Region IV: Nelson County, Pembina County, Walsh County, the city of Grand Forks, and the non–city portion of Grand Fork County. To look at Grand Forks County data you would see that the labor force declined by 7% from 2008 to 2012, slightly less than the region as a whole and less than that experienced in the other counties. Labor force in Nelson County declined by 13.4%, in Pembina County by 9.8%, and in Walsh County by 12.2%. When we look at the city of Grand Forks, and removes the city data from the County estimates we get a significant difference in the numbers once again. The decline in city labor force was only 5.3%.² After removing the city data the rest of Grand Forks County saw the labor force decline by 14.6%, higher than any other part of Region IV.

¹ The Bureau of Labor Statistics defines the labor force as all persons in the civilian non–institutional population classified as either employed or unemployed.

² Nothing to be happy about clearly, but it is a far cry from the other numbers.



Table 2.12: Labor force in Region IV, 2000-2012

Area	2000	2008	2009	2010	2011	2012	Δ 00-12	%Δ 00-12
Grand Forks County	36,288	38,869	38,140	37,673	37,104	36,151	-137	-0.4
Grand Forks City	28,610	31,804	31,209	31,397	30,934	30,121	1,511	5.3
Grand Forks*	7,678	7,065	6,931	6,276	6,170	6,030	-1,648	-21.5
Nelson County	1,840	1,729	1,728	1,655	1,624	1,498	-342	-18.6
Pembina County	4,733	3,930	3,935	3,855	3,719	3,543	-1,190	-25.1
Walsh County	6,519	5,674	5,629	5,503	5,228	4,981	-1,538	-23.6
Region IV	85,668	89,071	87,572	86,359	84,779	82,324	-3,344	-3.9

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics. Extracted March 2014. Grand Forks* designates non-city portion of Grand Forks County and was calculated by the author.

Employment

At the macroeconomic level employment, and employment variables have been a primary policy focus since the economic crisis in 2008. Job creation was a goal for both monetary and fiscal policy. Jobs, job creation, and other employment metrics are constant concerns of local economic developers and local economic development policy. With a declining population and a declining labor force it is not surprising to see employment decline in Region IV.

Table 2.13 shows that employment dropped in all of the sub-areas of Region IV. The decline across the region was 8.3%. Grand forks city saw the least decline at 5.8%. Rural Grand Forks declined by 16.1%, highest of any sub-area. Grand Forks County as a whole saw employment decline by 7.7%. Employment declined by 14.1% in Nelson County, by 11.2% in Pembina County, and by 13.2% in Walsh County.

Table 2.13: Employment in Region IV, 2000-2012

Area	2000	2008	2009	2010	2011	2012	Δ 00-12	%Δ 00-12
Grand Forks County	35,277	37,713	36,627	36,258	35,647	34,813	-464	-1.3
Grand Forks City	27,864	30,916	30,042	30,316	29,806	29,108	1,244	4.5
Grand Forks*	7,413	6,797	6,585	5,942	5,841	5,705	-1,708	-23.0
Nelson County	1,770	1,672	1,656	1,591	1,557	1,436	-334	-18.9
Pembina County	4,489	3,728	3,704	3,607	3,459	3,311	-1,178	-26.2
Walsh County	6,287	5,429	5,354	5,201	4,944	4,715	-1,572	-25.0
Region IV	83,100	86,255	83,968	82,915	81,254	79,088	-4,012	-4.8

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics. Extracted March 2014. Grand Forks* designates non-city portion of Grand Forks County and was calculated by the author.



Even with some internal reallocation of labor, away from rural areas towards Grand Forks city, there is still a sizable decline in employment that indicates a loss of workers without replacement. These could be relocations of workers to other areas outside of Region IV. It could also be the result of retirements. Whatever the cause it is clearly an issue to be addressed in economic development planning sessions.

Unemployment Rate

The unemployment rate is a major indicator of health in a labor market and is comparatively good for the Region IV economy. The unemployment rate for the region as a whole, detailed in table 2.13, increased from 2008 to 2012. This is not a surprise given the decline in labor force and employment discussed in earlier sections. However, the level of the unemployment rate remains well below the national average. In fact, from 2008 to 2012 the highest reading for the Region IV unemployment rate was 4.2% in 2011. For the most part the sub-areas fared too.

The unemployment rate in the city of Grand Forks remained well below 4% over this time frame. The unemployment rate for rural Grand Forks County was higher but never reached 5.5%. In this way the experience was very similar to Walsh County, where the high value was 5.5% in 2010. Pembina County stands out with an unemployment rate consistently higher than the region and other sub-areas. Since 2010 the unemployment rate in Pembina County was well above 6%, even reaching 7% in 2011.

Table 2.14: Unemployment rate in Region IV, 2008-2012

Area	2000	2008	2009	2010	2011	2012
Grand Forks County	2.8	3.0	4.0	3.8	3.9	3.7
Grand Forks City	2.6	2.8	3.7	3.4	3.6	3.4
Grand Forks*	3.5	3.8	5.0	5.3	5.3	5.4
Nelson County	3.8	3.3	4.2	3.9	4.1	4.1
Pembina County	5.2	5.1	5.9	6.4	7	6.5
Walsh County	3.6	4.3	4.9	5.5	5.4	5.3
Region IV	3.0	3.2	4.1	4.0	4.2	3.9

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics. Extracted March 2014. Grand Forks* designates non-city portion of Grand Forks County and was calculated by the author.

All these factors combined do not lead to any specific conclusions. Reductions in labor force and employment can happen as the result of normal economic dynamics and business life-cycle processes. The data should inform the planning process and be interpreted as a signal of potential trouble for goals such as population growth, changing age structure within a region, or attracting new employers to the Region IV economy.



Educational Characteristics

The presence of an institution of higher learning, the University of North Dakota, makes it likely that educational attainment would be quite high in Region IV. Proximity to institutions across the border with Minnesota, such as Northland Community & Technical College and the University of Minnesota–Crookston, provide further opportunities for advanced educational attainment. Tables 2.15 to 2.17 provide information the level of education attained, measured by degree attained, for individuals aged 25 and over. Table 2.15 provides the state average information for comparison purposes.

The percentage of the population attaining *at least* a high school diploma is well above 85% in every County except Walsh County.³ The significant difference between Walsh County and the other parts of Region IV is not in the percentage with a high school diploma, but in the number of people with a Bachelor’s degree. In all other categories Walsh County is close to, or exceeds, Pembina and Nelson counties. Walsh had 12.5% of the population with bachelor’s degrees while Nelson had 16.8% and Pembina had 17.1%.

Table 2.15: Educational attainment for North Dakota, 2012

Degree	North Dakota	
	Estimate	Percent
Population 25 year +	442,789	
High School graduate	120,581	27.2
Some college	105,668	23.9
Associate’s degree	54,634	12.3
Bachelor’s degree	86,925	19.6
Graduate/prof. degree	32,875	7.4
Total	400,281	90.4

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year estimate, Table DP02.

As mentioned before, the presence of the University of North Dakota in Region IV should tend to push up the educational attainment percentages, and nowhere more than in Grand Forks County. Grand Forks city and rural Grand Forks County both have 93% of their population over age 25 with at least a high school diploma. The rural Grand Forks numbers have a larger number with bachelor’s degrees than the other counties, while Grand Forks city has the highest with over 20% with a bachelor’s degree. Grand Forks city also has more graduate or professional degree holders than rural Grand Forks County (13.8% to 7.2%). The percentage of the population with graduate or professional degrees in Nelson County is 4.0%, in Pembina County is 2.8%, and in Walsh County is 3.9%.

³ The number with at least a high school diploma would be the total row in tables 1.16 and 1.17. High school graduate includes high school diplomas and equivalent degrees



There is a highly educated workforce in the region that, paired with workforce development programs from the state and regional level, offer a flexible and technically skilled workforce for potential employers. This is a regional asset that should continue to be integrated into economic development plans and policies.



Table 2.16: Educational attainment for Nelson, Pembina, and Walsh counties, 2012

Degree	Nelson		Pembina		Walsh	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Population 25 year +	2,373		5,370		7,931	
High School graduate	697	29.4	1,839	34.2	2,574	32.5
Some college	495	20.9	1,266	23.3	1,816	22.9
Associate's degree	411	17.3	569	10.6	848	10.7
Bachelor's degree	398	16.8	916	17.1	991	12.5
Graduate/prof. degree	94	4.0	153	2.8	310	3.9
Total	2,095	88.4	4,743	88.3	6,539	82.5

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year estimate, Table DP02.

Table 2.17: Educational attainment for Grand Forks County, Grand Forks city, and the non-city part of GF County

Degree	County		City		Rural GF	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Population 25 year +	38,646		29,691		8,955	
High School graduate	9,395	24.3	6,979	23.5	2,416	27.0
Some college	9,311	24.1	6,997	23.6	2,314	25.8
Associate's degree	4,286	11.1	3,065	10.3	1,221	13.6
Bachelor's degree	8,180	21.2	6,441	21.7	1,739	19.4
Graduate/prof. degree	4,743	12.3	4,096	13.8	647	7.2
Total	35,915	93	27,578	92.9	8,337	93

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year estimate, Table DP02.



Section 3

Economic Development Problems, Opportunities & Scenarios

General Problems & Opportunities

Like any area or region, Region IV has economic sectors that perform well, and those that lag in performance. An additional concern, as the data from Section 2 displayed, the region experienced volatility in some key sectors. The ability to adapt to changing demands from residents and changing needs for businesses is necessary for a region to grow consistently and experience sustainable economic development.

The four largest output sectors in Region IV by output are manufacturing (17.3%), government & non-NAICS (13.9%), agriculture, forestry, fish & hunting (10.7%), and health & social services (9.0%).¹ No other aggregated sector stands out as particularly high for output.

These results are mixed. Two primary sectors in the top four is excellent from the perspective of regional diversification. This is especially the case if cyclical fluctuations in agriculture and manufacturing tend to offset each other. However, combined these two sectors account directly for only 12.8% of regional employment. In addition, the swings in income from agriculture are well documented, which is part of the reason for numerous government programs to stabilize or normalize these income streams. Manufacturing is also known to follow boom and bust cycles.

Among the attributes generally in favor to the Region IV economy are:²

- Productive agriculture sector,
- A strong state economy,
- An educated workforce,
- The opportunity for a regional growth center in Grand Forks city,
- Institutions of higher education for further training regional workforce.

The strength of the North Dakota economy, even in the face of the recession of 2009, is a consistent

¹ MIG IMPLAN database, 2011. Region IV model composed of Grand Forks County, Nelson County, Pembina County, Walsh County. 440 sector model aggregated to 2-digit NAICS level. Table 1.3 reported the employment shares for these sectors

² These are in no particular order.



national and international news event. While other states slash services or raise taxes out of necessity, North Dakota and its communities have the opportunity to engage in careful planning to leverage current economic benefits into long-run growth and development. The education level of the existing workforce is excellent with an opportunity for quick adjustment or enhancement through partnerships with the regional institutions of higher education. There are significant potential impediments to growth as well:³

1. Loss of economic status relative to other parts of the state.
2. Demographic and related adjustment issues.
3. Labor constraints.
4. Conflicts in rural-urban development goals.
5. Popular perceptions or misperceptions about the area (e.g. weather-related issues).

None of the potential impediments appears impossible to overcome with appropriate planning, strategy and execution. As an example, the loss of economic status can also open new opportunities. Oil activity in western North Dakota, and the inability to get adequate labor resources into that region, present a possible supply relationship for Region IV firms. Most of North Dakota faces some form of labor constraint right now. There are not enough workers for existing jobs, let alone enough to allow all but a few sectors to expand. In addition, demographic changes, such as an aging population, create changes in demands for goods and services that may increase difficulties attracting or retaining other key demographic groups. Some of the impediments will clearly necessitate constant monitoring, analysis and communication, such as urban-rural development goal conflict or labor constraints.

Much of the data from Part 1 showed that there are actually five distinct economies existing in the Region IV area. The data show Grand Forks County with two distinct sets of economic data. Trends and fundamentals in Grand Forks city are, in many cases, not replicated in rural Grand Forks County. Rural Grand Forks County data are more like those for Nelson, Pembina, and Walsh counties. Communication of priorities and carefully planned partnerships are likely important to maintain the economic vitality of these four regions going forward.

³ These, also, are in no particular order.

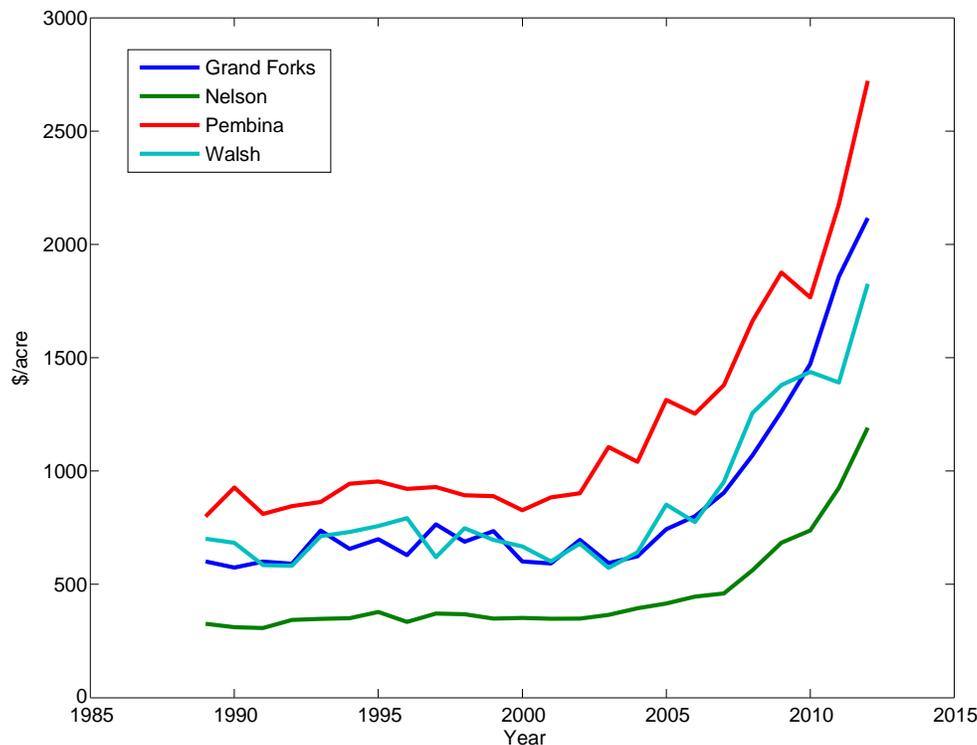


Agricultural Decline

Figures 3.3–3.6 display the variety of land uses and crops grown in the Region IV economy.⁴ The figures confirm what the quantitative estimates already made clear, agriculture is an important part of the economic base in Region IV. While this raises concerns regarding all types of crops and losses to growers, one group recently experienced such a negative event, sugar growers. Growers supplying American Crystal Sugar Co. received approximately a \$370 million reduction in payments from the company in 2013.⁵

The reduction in payments come at a time of recent highs in agricultural land prices. Figures 3.1 and 3.2 show the recent trend in both average land value and rental rates. Both have been on the rise, and sharply in recent years. Since 1989 every county except Walsh saw the average value of rented land increase by at least 240%. The increase in Walsh was 160%. Since 2010 the increase in average land value in each of the counties was at least 27% (Walsh) and as much as 61% (Nelson). Since 1989 the rental rates increased by at least 41% (Walsh). The other three counties were between 57% and 63%. Since 2010 the rental rate in Walsh County increased 21%, while Pembina was up 23%, Grand Forks increased 16%, and Nelson increased by 9%.

Figure 3.1: Average value of rented land, 1989–2012



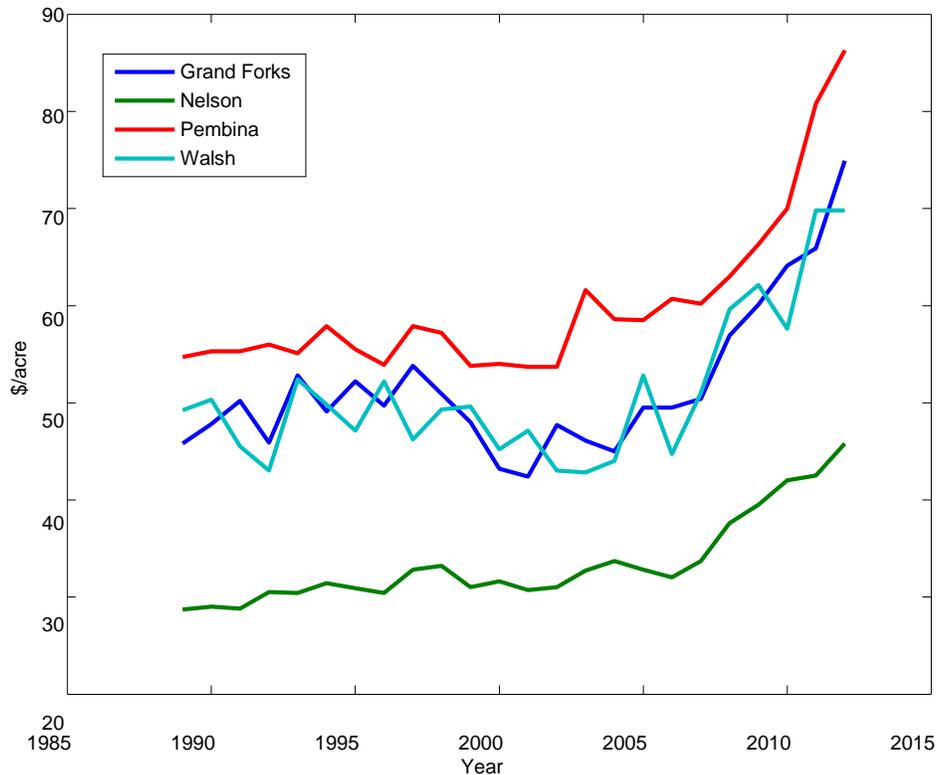
The importance of beets as a share of regional crop production is clear from the different County level maps. As a primary sector activity there is a significant likelihood that events affecting the sugar

⁵ Pates, Mikkel. November 4, 2013. American Crystal sugar beet payments to drop, as expected. *AgWeek* available at: <http://www.agweek.com/event/article/id/22013>



beet sector, both positive and negative, will affect other sectors in the regionaleconomy as well. These effects will be evident in changes in output and employment, and in some cases will alter the structure and dynamic relationships in the local economy.

Figure 3.2: Average rental rate, 1989-2012



According to the American Crystal Sugar annual report their shareholders devote 500,000 acres in the Red River Valley to sugar beet production. The Region IV acreage devoted to sugar beets is 121,060 in 2013.⁶ The Region IV acreage represents 24.2% of the American Crystal Sugar acreage, and so we assume it would represent the same percentage of the \$370 million reduced payment to growers. This would be a \$89,577,000 reduction to Region IV growers, and for the sake of convenience we round this to \$90 million.

This amount is well short of the estimated reductions mentioned earlier. The article referenced mentioned several factors which may change amounts in the future, such as changes in Mexican export targets. This type of change can significantly alter the conditions locally. In addition, domestic policy changes, depending on which type, could lessen or increase the severity of any disruption. Also, we can think of the predicted outcomes from the impact model as a per \$10 million reduction to the sector.

Clearly, the effects of a decline in sugar beet production transfer over to the rest of the Region IV economy. Table 3.1 details the direct, indirect, and induced impacts in employment and output for the regional economy. The direct effects detail the impacts due to the reduced income for

⁶ National Agricultural Statistics Service, United States Department of Agriculture, extracted March 2013.



sugar beet farmers, a decline of over 750 jobs due to the \$90 million decrease. There are additional effects though. A further decline of over 200 jobs and further reductions in output of over \$40 million. The aggregate effects provide ample evidence of the importance of the beet farming sector to the local economy, and detail the problems persistent declines in payments would likely present to the broader regional economy.

Table 3.1: Farm economic impact results, Region IV

Impact type	Employment	Output
Direct effect	-753.0	-\$90,000,000
Indirect effect	-215.0	-\$26,795,301
Induced effect	-172.6	-\$18,705,620
Total effect	-1,140.6	-\$135,499,922

Note: These are reductions for a \$90 million reduction to sugar beet farmers.

Specific sectors that feel the impact of a decline in beet farming payments include some obvious, but other less obvious sectors. That reductions in payments to beet farmers reduces employment in beet farming is not a surprise. It is likely that the reduction in support activities would be expected too. The employment impacts on medical service provision, a combined 22.6 jobs, is not necessarily an expected result though. Banks and maintenance/repair activities are also likely to feel a pinch from this as well. After the initial sectoral job loss it is clear that there are many, small reductions in employment across many sectors. This may have the effect of masking the overall effects of the decline.

Table 3.2: Top ten employment decreases, Region IV

Sector	Employment decreases
Sugar beet farming	784.5
Support activities for agriculture & forestry	60.1
Food services & drinking places	27.6
Maintenance and repair construction of nonresidential structures	27.6
Monetary authorities & depository/credit intermediation activities	25.0
Real estate establishments	18.9
Private hospitals	13.3
Wholesale trade businesses	12.3
Offices of physicians, dentists, & other health practitioners	9.3
Retail stores–general merchandise	8.7

Note: These are reductions in Region IV employment per \$10 million reduction to sugar beet farmers.

The overall effects of reductions in this sector could seriously damage the Region IV economy. However, there are factors that work against this. Anticipated reductions likely set in motion early



adjustments by producers that may change the end results of the decline. There are cost cutting measures possible or changes in production. If reductions were to prove persistent it is conceivable that farmers switch the mix of crops grown to generate a more profitable mix.

Unmanned Aerial Systems (UAS)

On December 30, 2013 the Federal Aviation Administration (FAA) announced six public entities that will develop UAS research and test sites. The sites are to conduct research intended to safely integrate UAS into the overall national airspace.⁷ The stated reason for the selection of North Dakota was,

North Dakota plans to develop UAS airworthiness essential data and validate high reliability link technology. This applicant will also conduct human factors research. North Dakotas application was the only one to offer a test range in the Temperate (continental) climate zone and included a variety of different airspace which will benefit multiple users.

Grand Forks County will be the hub for this activity in North Dakota. There are a variety of suggested benefits from the presence of UAS. There will be training opportunities, testing opportunities, and potentially manufacturing opportunities. The timeline for the various different phases of UAS activity is 10 to 12 years.⁸ The precise outline of the complete set of potential benefits to the region remains a bit unclear as yet. There are only six such sites in the country and as such these represent a truly new economic activity. While some activities would obviously follow the introduction of this industry, such as training or maintenance activities, other lucrative activities, such as manufacturing are not as clearly likely to locate to the region at this time.

As a result an impact analysis for UAS is an extremely hypothetical exercise. The suggested employment gains at the end of the 10 to 12 year time frame are for between 2,000 and 3,000 jobs directly related to UAS activity. Taking a look over the intermediate horizon we start with an estimate of 1,000 new jobs in the five to six year window. The expectation is that early movers will bear the brunt of start–costs and early research and development costs, setbacks and benefits. As a result, we would anticipate less jobs in the fi half of the time frame and then an acceleration in the second half.

There are complications to constructing a model for a new industry in a region. This issue, combined with the fact that the industry as a whole is evolving rapidly, pushed us towards an aggregated model. We aggregated the 440 sectors of the IMPLAN database to the 2–digit NAICS level. There is no ability in this instance to distinguish between parts manufacturing or UAS manufacturing, but we felt this was the safer way to provide generalized results for UAS on the Region IV economy. We spread the distribution of jobs across six different sectors, detailed in table 3.3.

⁷ See FAA press release dated December 30, 2013.

⁸ This would take the industry from initiation of activities to mature local industry.



Table 3.3: Hypothetical UAS employment distribution

Sector	Employment increases
Manufacturing	150
Transportation & warehousing	100
Professional–scientific & technical services	250
Administrative & waste services	100
Educational services	300
Government	100

Note: We are not aware of a specific timeline or breakdown of likely employment gains. This is not an official estimate but a hypothetical impact.

The regional impact results are presented in table 3.4. The results are very sensitive to the actual distribution of jobs. For example, manufacturing accounts for over 50% of the direct economic impact. As a result, reductions in the manufacturing employment create a significant reduction in the economic impact. However, there is potential for UAS to be a significant addition to the regional economic portfolio. There are sizable indirect and induced effects on sectors such as *health & social services* as well as *real estate*.

Table 3.4: UAS economic impact results, Region IV

Impact type	Employment	Output
Direct effect	1,000	\$138,854,418
Indirect effect	216.6	\$29,920,195
Induced effect	225.0	\$24,625,888
Total effect	1,441.6	\$193,400,501

Note: These results are preliminary and highly sensitive to the distribution of jobs. They should be thought of as a hypothetical exercise and not a prediction of what will result from UAS.

UAS can be an important part of the region’s economy. However, determining the precise nature of the impact, the potential spillover effects, and the distribution across the region requires more information than currently available. The new sectors for jobs, the level of employment, the duration of employment, and the location of employment will all contribute to the final economic effects of the UAS program on the Region IV economy.



“Oil Patch” Activity

The success of the oil industry in western North Dakota is known around the world. Whether judged by employment, income, or industrial output the oil sector has been a leader in the “Oil Patch” and the state.⁹

Labor constraints in western North Dakota make economic impact analysis a risky proposition. It is unlikely that markets in the “Oil Patch” are able to adjust completely to the repeated shocks from the success of the oil economy. An inability to fill the necessary support jobs reduces economic growth and development from its potential level. This raises several possible economic outcomes. “Oil Patch” economies will adjust to reduced labor and find ways to continue growth in spite of the shortage. The other alternative is an increase in imports into the “Oil Patch.” This could be goods or services, as well as temporary labor supply. This represents a significant opportunity for Region IV businesses. The shortfalls in supply from within the “Oil Patch” represent an opportunity to fill the gap.

Our analysis provides the following effects. We model an increase in drilling activity of \$50,000,000.¹⁰ The model will determine the change in the “Oil Patch” economy as well as the internal effects while also modeling the effects on the Region IV area. These results will indicate what would be expected to occur in an economy able to adjust fully. Given that this is not the case the effects of the Region IV economy should be augmented. The summary results for the two regions are included in tables 3.5 and table 3.6.

Table 3.5: “Oil Patch” summary economic impact results

Impact type	Employment	Output
Direct effect	63.9	\$50,000,002
Indirect effect	35.3	\$6,654,333
Induced effect	26.1	\$3,125,851
Total effect	125.4	\$59,780,186

Note: These results assume a full adjustment occurs in the economy.

⁹ The “Oil Patch” for the purposes of this report is taken to be the top ten producing counties in the state in December, 2013. These were McKenzie, Mountrail, Dunn, Williams, Divide, Bowman, Burke, Stark, Billings, and Bottineau

¹⁰ This is likely the appropriate initial activity as other employment would be in response to this change.



Table 3.6: Region IV summary economic impact results from “Oil Patch” oil activity

Impact type	Employment	Output
Direct effect	0.0	\$0
Indirect effect	0.0	\$15,691
Induced effect	0.0	\$2,437
Total effect	0.1	\$18,128

Note: These results assume a full adjustment occurs in the economy.

Clearly there are no direct impacts on Region IV from increased oil activity in the “Oil Patch.” There are almost no implied employment changes in the region from the expansion of activity in western North Dakota. However, we know this to not be the case. Any number of examples and stories indicate that western North Dakota is unable to meet the various demands placed on it by the explosive growth of the oil industry.¹¹ Numerous construction firms send crews to western North Dakota while metal work and other activities performed in Region IV are then shipped to satisfy demand from firms in western North Dakota. Impacted sectors in Region IV include chemical manufacturing and motor vehicles parts manufacturing. Also, wood windows and doors and millwork would be affected.

These sectors clearly service the oil industry and some of the immediate effects, such as an increased demand for housing. Not every impacted sector from the “Oil Patch” may be serviced by outside suppliers. For example, *food services and drinking places* are less likely to be serviced by outside suppliers. However, *architectural, engineering, and related services* can very easily be supplied from outside the region. In addition, legal services, banking and financial services, and transportation services, all likely to be impacted by increased oil activity, can all be provided from remote locations too.¹²

To capitalize successfully on expanded oil activity, or the continued current pace of activity, Region IV firms and developers should look at the implied expansion of businesses in western North Dakota counties and determine,

- What demands are unlikely to be met within the “Oil Patch”?
- Which of those activities can be performed within Region IV and transferred/transported to western North Dakota?
- Are there opportunities to open satellite locations in western North Dakota?

¹¹ The *Grand Forks Herald* on Sunday, March 16, 2014 ran a story about the transfer of legal cases from western North Dakota to the Grand Forks district because western North Dakota courts are overwhelmed.

¹² The same issue of the *Grand Forks Herald* discussed the shortage of attorneys in western North Dakota.



Summary of Opportunities and Threats

Region IV has significant opportunities and threats both within and without. Agriculture, a fundamental economic sector, recently experienced a setback with the reduction in payments to sugar beet growers. If that persists, or expands into other products, the ripple effects within the regional economy could be severe. Over time adjustments can be made, but this does little to stem current losses and the likely reductions in spending.

While western North Dakota represents a significant threat to the economic and political pecking order of the state, including Region IV, there are strategic opportunities Region IV is exploiting already. Targeting sectors unable or unlikely to be met by internal supply presents Region IV businesses and industries with a competitive advantage and an opportunity to transfer gains into the region. Development policy has already and should continue to help regional businesses exploit this opportunity.

UAS is something totally new. As such it contains significant risks, but also represents the potential for significant rewards. There are many opportunities with UAS, including training, software design, manufacturing, and potentially limitless end applications for UAS.

How much the region captures of these gains is, as yet, uncertain. The exact distribution of jobs related to UAS is also uncertain, which makes any determination of economic effects highly uncertain. The hypothetical distribution presented here does demonstrate that there is the potential for significant economic gains to the region from UAS. It is up to policy makers and economic developers to help the region realize these gains.

Region IV Self-Identified Strengths and Weaknesses

As a result of the four county planning sessions held between April and July 2014, the following strengths and weaknesses were self-identified by the Strategy Committees and town hall attendees during each county “Express Plan Week.” The information from the four county Express Plan Week sessions was aggregated to show common themes in Region IV that identified these strengths and weaknesses as related to 25 economic development strategies.

Table 3.7 summarizes the top ten strategies with the strengths and weaknesses which were selected by all the County Strategy Committees in Region IV. The top strategies selected by all of the four counties include Value-Added Agriculture, Entrepreneurial Development, Healthcare Expansion, Attracting Funding, Business Retention and Expansion, Leading Edge Development, Local and Regional Tourism, Business Recruitment, Infrastructure Development, and Downtown Development.

The process utilized to determine strengths and weaknesses allowed the Strategy Committees to objectively analyze its assets and capacity through the “Key Success Factors” and “Community Organizer Assessment.” These exercises reviewed attributes that strengthen the likelihood of success for skills and assets typically required to implement each strategy. In some cases, this led to the identification of opportunities not widely considered as a development strategy previously.



Table 3.7 – Strategy Strengths and Weaknesses

Strategy: Value-Added Agriculture	
Strength	Weakness
Existence of a large volume of agriculture commodities	Availability of local buildings for business expansion/relocation
Community ability to assist businesses to secure large-scale capital	Local, available, high skill labor pool
Ability to market and sell value-added agriculture and/or forest products	Local, available, low-skill labor pool
Availability of local infrastructure for business expansion/relocation	

Strategy: Entrepreneurial Development	
Strength	Weakness
Access to small business financing	
Local pro-business climate	
Availability of high-speed internet	

Strategy: Health Care Expansion	
Strength	Weakness
Financially sound existing health care facility	Sufficient marketing, promotion and/or public relations budget
Competent, strategic-minded hospital and healthcare executives	Local, available, high-skill labor pool
Strategic location for expansion of healthcare services	Local, available, low-skill labor pool

Strategy: Attracting Funding	
Strength	Weakness
Relationship between community and political delegations	Favorable state policies related to location of government office/facilities
	Targeted recruitment of government offices/facilities
	Availability of local buildings for business expansion/relocation

Business Retention and Expansion	
Strength	Weakness
Access to small business financing	Availability of local buildings for business expansion/relocation
Capable, experienced economic development professionals	Local, available, high-skill labor pool



Local pro-business climate
 Availability of local infrastructure for business expansion/relocation

Local, available, low-skill labor pool

Leading-Edge Development	
Strength	Weakness
Community ability to assist businesses to secure large-scale capital	High availability of urban services
Capable, experienced economic development professionals	Competitive recruitment incentives
Local government support for community and economic development	Availability of local buildings for business expansion/relocation
Availability of local infrastructure for business expansion/relocation	Local, available, high-skill labor pool
Proximity to scheduled air service	Local, available, low-skill labor pool

Local/Regional Tourism	
Strength	Weakness
Local/regional recreational tourist attractions	Sufficient marketing, promotion and/or public relations budget Sophisticated coordination/marketing of local attractions/events

Business Recruitment	
Strength	Weakness
Community ability to assist businesses to secure large-scale capital	Competitive recruitment incentives
Capable, experienced economic development professionals	Sophisticated use of the Internet for marketing to businesses
Local government support for community and economic development.	Relationship with site selectors
Availability of local infrastructure for business expansion/relocation	Community experience and networking at industry trade shows
Proximity to scheduled air service	Availability of local buildings for business expansion/relocation Local, available, high-skill labor pool Local, available, low-skill labor pool

Infrastructure Development	
Strength	Weakness
Team approach to securing infrastructure funding	Community support for needed infrastructure rate increases



Downtown Development	
Strength	Weakness
Local government support for community and economic development	Funding for downtown development Implementation of Main Street Four-Point Approach™

County-Selected Development Strategies and Action Steps

Each of the county Strategy Committees selected specific economic development strategies that they have deemed opportunities within the respective counties. Each Strategy Committee analyzed 25 potential economic and community development strategies as outlined by Building Communities, Inc. Abbreviated definitions of the development strategies are included in Appendix E. Each of the strategies is included in the “strategy wheel” below. All four counties selected a top ten strategy list while three counties selected an additional eight strategies.

A compilation of all of the selected strategies and draft action steps are included in Appendix D. The compilation summarizes the list of strategies in the primary categories of Business Development/Recruitment, Community Development, Tourism, and Infrastructure Development and Quality of Life initiatives.

Figure 3.3: Economic Development Strategy Wheel Building Communities, Inc.



Section 4

Disaster and Economic Recovery and Resiliency

Preparedness

The National Incident Management System (NIMS) defines preparedness as "a continuous cycle of planning, organizing, training, equipping, exercising, evaluating, and taking corrective action in an effort to ensure effective coordination during incident response." This 'preparedness cycle' is one element of a broader National Preparedness System to prevent, respond to, recover from, and mitigate against natural disasters, acts of terrorism, and other man-made disasters. Ongoing preparedness efforts ensure coordination during times of crisis.

Response

Response activities take place immediately before, during and in the first few days after a major or catastrophic disaster. Then, recovery efforts begin to help the community get back on its feet.

Recovery

The National Disaster Recovery Framework released by FEMA in January of 2010 introduces six recovery support functions that are led by designated federal coordinating agencies. The Recovery Support Functions comprise the coordinating structure for key functional areas of assistance. Their purpose is to support local governments by facilitating problem solving, improving access to resources and fostering coordination among state and federal agencies, nongovernmental partners and stakeholders. The Recovery Support Functions and designated federal coordinating agencies are:

- Community Planning and Capacity Building: Federal Emergency Management Agency
- Economic: U.S. Department of Commerce
- Health and Social Services: U.S. Department of Health and Human Services
- Housing: U.S. Department of Housing and Urban Development
- Infrastructure Systems: U.S. Army Corps of Engineers (fema.gov)
- Natural and Cultural Resources: U.S. Department of Interior

A well thought out recovery phase can allow communities to return to a state of normalcy more quickly and effectively. Without being prepared for the complexity of redevelopment in a compressed timeframe, local officials may struggle with recovery decisions and miss opportunities for public participation in reshaping the community's future. To become more disaster resilient, local governments should plan for what must happen after emergency rescue and recovery operations are complete. Engaging potential recovery partners and consulting other existing comprehensive plans prior to a disaster creates the opportunity for a unified, timely recovery that



leads directly into short and long-term mitigation strategies.

Mitigation

Mitigation is the effort to reduce loss of life and property by lessening the impact of disasters. Mitigation is taking action prior to the next disaster to reduce human and financial consequences. Effective mitigation requires understanding local risks and investing in long-term solutions, however difficult those decisions may be to make. These efforts can break the cycle of disaster damage, reconstruction, and repeated damage. FEMA's efforts are organized into three primary activities that help achieve the highest level of mitigation: risk analysis, risk reduction and risk insurance.

The Lake Agassiz Region has taken mitigation seriously and has aggressively pursued funding opportunities to make significant strides in reducing risks especially related to flood events. County and local officials have familiarized themselves with funding programs and enlist the assistance of RRRC when necessary.

Phase I: Pre-Disaster Preparedness

RRRC supports and encourages its communities to:

- Engage in pre-disaster recovery and mitigation planning
- Regularly assess the community's risks and vulnerabilities
- Inventory and organize the community's recovery resources
- Engage in business continuity planning
- Ensure resources are available for the elderly and those with special needs
- Identify shelters
- Identify recovery partners, as well as the type of assistance and resources they can provide
- Establish a timeline for recovery activities (immediate, short-term, intermediate, and long-term)
- Develop and disseminate a community evacuation plan
- Establish a communication chain
- Engage the community's residents in the planning and recovery process

In the past decade there have been 12 federally declared emergencies and disasters in Region IV. This frequency lends itself to a heightened awareness and significant emphasis on planning and preparedness by communities, counties, and the private sector.

Phase II: Post-Disaster Planning and Implementation

The disaster phases are overlapping and continuous. Understanding roles and responsibilities and engaging public partners throughout the planning and implementation process is the most effective way to accomplish the goals and objectives of a community.

Disaster Assessment

The Red River region is vulnerable to a wide variety of natural disasters including flood, winter storm, summer storm, wild land fire, urban fire, and drought. The region is also susceptible to manmade hazards such as dam failure, critical material shortage, homeland security incident, communicable disease and transportation accident.



A well-developed Multi-Hazard Mitigation plan that utilizes FEMA’s HAZUS tool to identify and quantify potential risk to this wide variety of hazards is highly recommended by RRRC throughout the region.

Resources

A wide variety of public and private resources may be available throughout the disaster lifecycle. Developing a plan to identify these sources and manage resources offered is critical to effectively meet a community’s specific needs and goals. There will be rules, and occasionally, strings attached to external sources of funding and assistance, but a community that has researched the allowable uses of federal and state assistance can better work toward accomplishing its unique redevelopment goals.

Some specific sources of assistance that have been utilized in the Lake Agassiz Region include:

- Small Business Administration (SBA)
- HUD and EDA Supplemental disaster funds
- ND National Guard
- Federal Emergency Management Agency (FEMA)
- North Dakota Department of Emergency Services (NDDDES)
- County and Municipal support
- US Army Corps. Of Engineers (USACE)
- Red Cross
- Salvation Army
- Private Companies

Local Emergency Managers

Andrew Kirking
Pembina County Emergency Manager
301 Dakota St W #8
Cavalier North Dakota 58220
Phone: 701-265-4849

Sharon Young
Nelson County Emergency Manager
210 B Ave W #302
Lakota, ND 58344-7410
Phone: 701 247-2472

Brent Nelson
Walsh County Emergency Manager
638 Cooper Avenue, #2
Grafton, ND 58237
Phone: 701 352-2311

Jim Campbell
Grand Forks County Emergency Manager
122 S 5th Street
Grand Forks, ND 58201
Phone: 701-780-8213



Section 5

CEDS Goals and Objectives

MISSION STATEMENT AND GOAL

TO SECURE THE LONG-TERM ECONOMIC HEALTH OF THE COMMUNITIES AND CITIZENS OF THE REGION AND ENHANCE THE QUALITY OF LIFE.

Objective 1: Further Diversify the Regional Economic Base

Diversification of the region's economy remains the primary objective of the region's economic development strategy. Agriculture continues to reign as one of the region's primary economic drivers. Opportunities exist to expand upon the existing agriculture business activity through value-added processing and by embracing rapidly expanding precision agriculture technologies, including the incorporation of unmanned aerial systems and on-board automation and soil and crop information mapping. The region is home to one of six research sites established nationwide to investigate the potential of the use of unmanned aerial systems in agriculture, homeland security, and commerce. The region must be prepared to take full advantage of this opportunity to expand our economic base to include this new, emerging technology and its commercial potential.

Opportunities also exist to grow and expand the tourism sector in the region. The oil boom in western North Dakota has brought more people to the state, increasing traffic throughout North Dakota and bringing a new level of national attention to the state. The region needs to be prepared to take full advantage of this newly found interest in our unique locales, recreational, historical and outdoor amenities.

Objective 2: Improve Infrastructure Throughout the Region

Communities within the region have aging infrastructure that is extremely expensive to update and expand. Given the stagnant, declining, and aging nature of the region's population demographic, options for public financing of these large projects are limited. The region needs a comprehensive inventory of the need for infrastructure maintenance, updates, and expansions in our cities and rural areas. Optimum telecommunications infrastructure, as well as access to safe drinking water and adequate transportation routes must be addressed in planning.

Objective 3: Improve the Marketing of the Region's Tourism and Family-Friendly Amenities

With tourism already showing strong economic performance in the state, ranking only behind energy/oil and agriculture, and the increased population and traffic in and through the state, the region is in a strong position to capitalize on its exceptional recreational, historical, cultural and scenic tourism amenities. In order to actualize the great potential in this sector, the region's



tourism assets must implement sophisticated marketing strategies, especially those available through social media and the internet. Over time, the region has referred to itself as a “best kept secret” in terms of the quality of life attributes of its communities. In order to achieve the region’s mission statement and goal, it is imperative that the region successfully markets its assets to the targeted audience – young families, entrepreneurs and businesses.

Objective 4: Stabilize the Regional Population

With the exception of the one urban area in the region that is home to the University of North Dakota, the region’s rural communities are losing population in the 0 to 44 age demographic at an alarming rate. Slowing the hemorrhage of this age demographic is critical to the success of all other objectives, impacting the region’s ability to support expanded economic activity and investments in infrastructure. Key community development actions including increased child care capacity, public transportation, and housing will need to be addressed if we are to achieve population stability in this key age demographic.

Objective 5: Mitigate Impacts of Natural Disasters on the Region’s Economy

One of the region’s dominant industries – agriculture – is vulnerable to external forces that are impossible to control and difficult to mitigate. The region’s topography also contributes to increased vulnerability to the forces of Mother Nature, resulting in repeated emergency and major disaster declarations and 500 year flood events. In the past decade, there have been 12 federally-declared emergencies and disasters in Region IV. Participation in region-wide efforts such as the Red River Retention Authority and the Red River Basin Commission will help facilitate this region’s efforts to minimize the effects of weather events on the region’s economy and security.



SECTION 6

Community and Private Sector Participation

The RRRC has a long history of working with the community and private sectors throughout the region and support for RRRC remains strong. RRRC used the CEDS as an opportunity to engage the local community and private sector in developing the strategic plan. A Strategy Committee was formed and participated in a 1.5 day planning session which also included a public town hall meeting in each county. The Strategy Committee consisted of local officials, private sector, community members, and leaders in the community.¹

Community and private sector participation was garnered by the regional strategic planning process. The partnerships for the strategic planning participants were combined with RRRC board members and community representatives. Community participation was obtained through press releases, email and social media to promote the town hall for public input on strategies.²

The regional strategic planning was led by Dawn Keeley, RRRC, Executive Director, and facilitated by Cheryl Osowski. RRRC also enlisted the assistance of Building Communities Inc. Building Communities, Inc. tailored its process and product to complement the needs of our region and the time frame for implementation. This process allowed the communities and RRRC to be comprehensive, objective, and action-oriented. The community provided valued input for planning its future, creating a plan that is community minded.

¹ Each Strategy Committee consisted of 20 to 25 representatives.

² The townhall meetings were attended by a total of 98 people.



Grand Forks County Strategy Committee Members

First Name	Last name	Representing	City
Cynthia	Pic	Public Official	Niagara
Ryan	Brooks	Housing/Economic Development	Grand Forks
Bret	Weber	Public Official	Grand Forks
Barry	Wilfahrt	Business/Tourism	Grand Forks
Keith	Lund	Business/Tourism	Grand Forks
Tom	Ford	Community Leader	Grand Forks
Bruce	Uglen	Business/Tourism	Northwood
Pete	Antonson	Healthcare	Northwood
Art	Johnson	Public Official	Northwood
Dan	Henneman	Public Official	Emerado
David	Hagert	Community Leader	Emerado
Heidee	Hill	Park Board	Emerado
JoAnn	Renfrow	Community Leader	Emerado
Brandon	Baumbach	Business/Healthcare	Emerado
David	Staveteig	Agriculture	Thompson
Terri	Herbert	Public Official	Thompson
Roger	Stadstad	Public Official	Manvel
Kevin	Peach	Agriculture	Honeyford
Deb	Matheson	Public Official	Larimore
Bob	Sobolik	Economic Development	Fordville
Mark	Yahna	Economic Development	Larimore
Tim	Larson	Economic Development	Larimore
Hazel	Sletten	Community Leader	Larimore
Dale	Trosen	Private Sector	Larimore
Ray	Fegter	Public Official	Larimore
Wayne	Trottier	Public Official	Northwood
Gary	Paur	Public Official	Gilby
Keith	Reitmeier	Workforce Development	Grand Forks



Nelson County Strategy Committee Members

First Name	Last Name	Representing	City
Susan	Bergquist	Financial	Lakota
Mike	Blessum	Utilities	Petersburg
Bruce	Bowersox	Health Care	McVille
Joanne	Brennan	Public Official	McVille
Elaine	Brooks	Retail	Lakota
Bob	Engen	Financial	Tolna
Odell	Flaagan	Agriculture	Tolna
Steve	Forde	Health Care	Pekin
Donald	Fougner	Agriculture	Aneta
Joan	Heckaman	State Government	New Rockford
Bernie	Linstad	Ag Business	Michigan
Maynard	Loibl	County	McVille
Ranae	Oxton	Retail	McVille
Brett	Poehls	Lineman	Tolna
Paul	Retzlaff	Agriculture	Aneta
Lori	Rysavy	USPS	Michigan
Stanley	Schrupp	Environment	Lakota
Chuck	Shirley	Construction	Lakota
Kevin	Sundre	Agri Business	Petersburg
Amie	Vasichek	City	Lakota
Jim	Vasichek	Ag Business	Michigan
Maria	Vasichek	Tourism	Michigan



Pembina County Strategy Committee Members

First Name	Last Name	Representing	City
Deirdre	Lee	Tourism	Walhalla
Marlys	Boll	Tourism	Drayton
Drew	Olafson	Financial Services	Cavalier
Brian	Lunski	Primary Sector	Neché
Pat	Mahar	Primary Sector	Cavalier
Craig	Vaughn	Agriculture	Cavalier
Travis	Berg	Financial Services	Walhalla
Jeanna	Kujava	Healthcare	Cavalier
Charles	Wellman	Financial Services	Drayton
Charles	Damschen	State Government	Hampden
Allan	Anderson	City	Cavalier
Hugh	Ralston	County	Crystal
Kathy	Stremick	Economic Development	Walhalla
Jeff	Manley	Education	Cavalier
Michael	Duerre	Tourism/Recreation	Walhalla
Ann	Burgess	Community Leader	Cavalier
Mary	Houdek	Workforce	Grafton
Corene	Vaughn	Community Leader	Cavalier
Bryan	McCoy	Economic Development	Cavalier
Harold	Weimer	Agriculture	Drayton
Andrew	Kirking	Emergency Management	Cavalier



Walsh County Strategy Committee Members

First Name	Last Name	Representing	City
Karen	Anderson	Public Official	Grafton
Kim	Bylin	Community Leader	Adams
Tom	Campbell	Public Official	Grafton
Julie	Campbell	Community Leader	Grafton
Becky	Chyle	Private Sector	Park River
Chad	Bjorneby	Private Sector	Grafton
Bernice	Flanagan	Private Sector	Edinburg
Sue	Foerster	Service Sector	Grafton
Hans	Halvorson	Private Sector	Grafton
Mary	Houdek	Workforce Development	Grafton
Larry	Jamieson	Public Official	Minto
Kristy	Jelinek	Tourism	Grafton
Jean	Jiskra	Private Sector	Grafton
Duane	Jonasson	Private Sector	Park River
Mike	Leighton	Community Leader	Grafton
Joann	Lizakowski	Service Sector	Grafton
Ellen	Misialek	Private Sector	Minto
Todd	Morgan	Business/Tourism	Grafton
Steve	Rehovsky	Private Sector	Park River
Jalene	Suda	Private Sector	Fordville
Joan	Swartz	Private Sector	Park River
Mark	Wagner	Education	Grafton
Nick	Ziegelmann	Public Official	Grafton
Kevin	Zikmund	Private Sector	Pisek

County	Town Hall Attendance
Grand Forks County	16
Nelson County	24
Pembina County	31
Walsh County	27
Total	98



RRRC also works with a variety of local and regional partners who assist RRRC in implementing the goals of the CEDS, including but not limited to:

- Pembina County Job Development Authority
- Walsh County Job Development Authority
- Nelson County Job Development Authority
- Grand Forks Region Economic Development Corporation
- Local non-profit development corporations
- City economic development
- Small Business Development Center
- Rural utility cooperatives
- Center for Innovation



Section 7

Strategic Projects, Programs, and Activities

The following provides an outlines of the five objectives which include Value-Added Agriculture, Financing Support for Primary Sector Development, Improve Infrastructure throughout the Region, and Improve Development and Marketing of the Region’s Tourism and Family-Friendly Amenities, Stabilize the Region’s Population, and mitigate impacts of disasters on the region’s economy.

Objective 1: Further Diversify the Regional Economic Base

- **Entrepreneur Culture Development**

Provide ongoing leadership to further develop an entrepreneurial culture to include youth.

Participants: RRRC staff

Jobs to be created: No direct FTE’s

Priority: High

Budget: TBD by project

Funding Sources: TBD by project

Timeline: As projects arise

- **Develop Value-Added Agriculture Projects**

Continue the region’s support for value-added agriculture projects as a principal driver of economic diversification. This support can take a variety of forms including acting as applicant or fiscal agent for value-added agriculture projects undertaking feasibility studies with grants from the ND Agricultural Products Utilization Commission, participating on steering committees, inventory quantities of commodity crops grown in the region, and assisting in financing necessary infrastructure for plant development

Participants: RRRC staff, ND Agriculture Products Utilization Commission, CDBG Program, Local Communities

Jobs to be created: 10

Priority: High

Budget: TBD by project

Funding Sources: TBD by project

Timeline: As projects arise



- **Provide Financing Support for Primary Sector Development**

Continue financing support as a tool for promoting primary sector development. RRRC has a variety of financing tools at its disposal and several are directed largely to support primary sector projects- those that bring wealth into the state and help diversify the economy. In particular, the CEDS activity would concentrate though not be limited to value-added agriculture development, biofuels development, UAS, and advanced manufacturing. Consider the development of a special initiative to assist regional manufacturers to link products and services to the Bakken development region.

The region's CDBG and EDA RLF programs target primary sector and will continue to do so throughout the CEDS planning period. Programs at the state level that target primary sector development include the Bank of North Dakota's Partnership Assisting Community Expansion (PACE) Program and the North Dakota Development Fund. An array of local and federal programs also contributes to the ability of the region to successfully support economic diversification.

Participants: RRRC, SBDC, USDA, SBA, Bank of North Dakota, ND Department of Commerce, EDA, Local Development Organizations, Red River Corridor Fund, ND Opportunity Fund, Local Communities

Jobs to be created: 15

Priority: High

Budget: TBD by project

Funding Sources: TBD by project

- **Support Business Development Activities**

Continue to support business development activities by assisting new or expanding businesses in developing business plans, developing financial projections, identifying optimum financing options, packaging financing, and coordinating the public and private sector financial support to lead to business development activities. Provide support to city and county economic development organizations.

Participants: RRRC, county job development authorities, local economic development corporations, Small Business Development Center, and financing partner agencies and entities.

Jobs to be Created: 25

Priority: High

Budget: RRRC Staff Time

Funding Source:

Timeline: Continual project development on a regular basis



Objective 2: Improve Infrastructure throughout the Region

- **Infrastructure for Business and Industry—Support and Funding**

Continue support for infrastructure development that supports business and industry. Because of the lack of developed industrial sites, new businesses and industries generally require infrastructure development, including water, sewer and roads. The region has supported infrastructure financing through the Community Development Block Grant Program, EDA Public Works and Economic Adjustment Programs and local programs.

Participants: RRRC, CDBG, USDA, State Clean Water and Drinking Water, Revolving Loan Fund, State Revolving Loan Fund, ND DOT, State Water Commission, Local Communities

Jobs to be created: 50

Priority: High

Budget: TBD by project

Funding Sources: See above

Timeline: As projects arise

- **Community Infrastructure Improvements –Support and Funding**

The counties in Region IV continue to rate infrastructure improvement among the highest priorities in the region. With the declining population it makes it very difficult for communities to update water and sewer infrastructure that is more than 70 years old and in need of replacement. It is incumbent upon RRRC to seek out all available resources to provide assistance to these communities. Identify potential funding sources on a case by case basis to include public and bond financing options. Establish relationship with bond advisor to the benefit of the region. Complete municipal infrastructure survey to develop a comprehensive list of short and long term infrastructure and funding needs within the region.

Participants: RRRC, CDBG, USDA, State Drinking Water Revolving Loan Fund, State Revolving Loan Fund, ND DOT, State Water Commission, Local Communities

Jobs to be created: Construction jobs, no direct FTE's

Priority: High

Budget: TBD by project

Funding Sources: See above

Timeline: 2017, annual funding of projects



- **Telecommunication**

Continue to address the telecommunication gaps in Region IV, along the border of Canada and in the more rural areas of the counties. Having dependable and high-speed telecommunications will help with recruiting of lone eagles³ and young families. It is important for all areas of the counties to have substantial telecommunications to remain competitive.

Participants: RRRC, Telecommunications Providers, Local Communities

Jobs to be created: No direct FTE's

Priority: Medium

Budget: TBD by project

Funding Sources: TBD by project

Timeline: 2017

Objective 3: Improve the Development and Marketing of the Region's Tourism and Family-Friendly Amenities

Support large-scale tourism development opportunities with the Stump Lake, Homme Dam, Larimore Dam and Pembina Gorge Recreation Area. Continue to work with counties that are interested in developing a county-wide or region-wide Chamber of Commerce or similar business association. Coordinate a marketing strategy that promotes all tourist and tourism-related businesses. Research funding options to establish a tourism development and/or regional marketing position to serve the entire region.

Participants: RRRC, Local Communities, Chamber of Commerce, County JDA's, County Commissioners

Jobs to be created: 1-2

Priority: High

Budget: TBD by project

Funding Sources: TBD by project

Timeline: 2017

³ Lone Eagle is an entrepreneur that can operate from any location with optimum telecommunications and requiring minimal capital and labor resources.



Objective 4: Stabilize the Regional Population

- **Education**

Continue to support strategic partnership between education leaders and organizations and economic development initiatives. Encourage development of internships.

Participants: RRRC, North Dakota School Districts, North Valley Career and Technology Center, Train ND

Jobs to be created: No direct job creation

Priority: High

Budget: TBD by project

Funding Sources: TBD by project

Timeline: Ongoing

- **Housing Development and Rehabilitation**

Work with communities to develop plans to attract and retain young families that includes the inventory of sub-standard and unoccupied housing and vacant lots for rehabilitation or demolition. Assist in the development of opportunities for housing rehabilitation and development projects in partnership with communities, housing authorities, and developers.

Participants: RRRC, Local Communities, County Commissioners

Jobs to be created: Construction Work, No direct FTE's

Priority: High

Budget: TBD by project

Funding Sources: TBD by project

Timeline: 2017

- **Elimination of Slum and Blight**

Assist communities in identifying slum and blight properties. Research potential funding sources to establish a regional program for removal or rehabilitation of such properties.

Participants: RRRC, Local Communities, County JDA's, Counties, private parties

Jobs to be created: Construction work, no direct FTEs

Priority: Medium

Budget: TBD

Funding Sources: TBD

Timeline: 2016 and beyond

- **Address Rural Transportation Needs**

Identify public transportation needs for families, seniors, and workforce. Explore options to address transportation needs through researching innovative approaches that have been proven successful.

Participants: RRRC, Local Communities, County Commissioners, county transportation agencies, large employers

Jobs to be created: No direct FTEs



Priority: Medium
Budget: TBD
Funding Source: TBD
Timeline: 2015

- **Champion Rural Communities**

Provide leadership to champion rural communities in development discussion and decision-making situations. Foster further partnerships between urban and rural areas and support regional development for large scale initiatives as well as addressing workforce demands.

Participants: RRRC, Local Communities, County Commission, County JDAs, Local EDCs, State agencies, federal agencies
Jobs to be created: No direct FTEs
Priority: High
Budget: TBD
Funding Source: Local contributions, EDA
Timeline: Ongoing

Objective 5: Mitigate impacts of disasters on the region's economy

- **Plan Development and Maintenance — Encouragement and Assistance**

Continue to assist with coordination and encourage counties and local governments to maintain hazard mitigation and other preparedness plans. The planning process not only allows for more effective and strategic moves forward but approved plans in some instances allow access to funding for improvement projects. Continue to support the local governments through the implementation of hazard mitigation projects to address ongoing hazard concerns. Maintain strong working relationships with potential funding agencies to address mitigation projects.

Participants: RRRC, ND Department of Emergency Services, Local Emergency Managers, County and Local Governments
Jobs to be created: No direct job creation
Priority: Medium
Budget: RRRC Staff time
Funding Sources: RRRC, Region IV Counties, FEMA, ND Department of Emergency Services
Timeline: Ongoing

The objectives outlined above will be achieved through implementation of RRRC's Work Program in concert with cooperating professional staff, volunteers and elected officials in communities, counties and organizations throughout the region. The CEDS effort takes into account the plans of other organizations and supports projects and proposals that implement those plans. Cooperation and coordination are the key elements integral to furthering economic growth and creating new jobs and wealth, while growing the population and retaining young people.



Red River Regional Council Scope of Work July 1 2014 to June 30, 2015

Work Program

The following is the current scope of work for the RRRC's development activities. The scope of work for the following grant period will include additional work elements arising from the development of CEDS.

RRRC will implement new strategies that are adopted during the development of CEDS. New strategies and action steps may be incorporated into the work program as the year progresses. The work program also includes the activities outlined below.

Planning

A. Regional Economic Development Planning

RRRC is responsible for the regional economic development planning process in the four-county region. CEDS work will include:

- Complete and submit the Updated/Revised CEDS and CEDS Checklist following the CEDS Guidelines and including a disaster resiliency section to EDA by September 30, 2014. An extension was sought and received from EDA to support an extension to the Updated/Revised CEDS from June 30, 2014 to September 30, 2014 due to the following:
 - extensive CEDS initiatives which includes the development of an economic development strategic plan for each of the four counties and municipal infrastructure survey; and
 - new RRRC Executive Director hired in July 2013; and
 - delayed hiring of adequate economic development staff with position filled in April 2014.
- A. Present Updated/Revised CEDS for a 30-day public comment period to gain public insight into plan ideas and community needs.
- B. Begin undertaking specific economic development tasks identified in Updated/Revised CEDS.
- C. Complete Municipal Infrastructure Survey of Region IV communities to be included as an addendum to the CEDS.

B. Local Economic Development Planning

RRRC assists with the local economic development entities as requested. Some of that scope of work would include:



- Consider assisting in the resurrection of the Red River Community Housing Development Organization (a regional 501(c)(3) nonprofit) as a means to assist in the development of additional housing within the region as a lack of available and appropriate housing has been identified as a key issue hampering economic development.
- In partnership with the ND Department of Human Services, the City of Grafton, and the Walsh County Job Development Authority define necessary action steps to develop potential redevelopment strategy for excess space the ND Life Skills and Transition Center campus located in Grafton which currently employs approximately 400 people.
- Monitor interim legislative Interim and Session activities which may impact economic development within the region.

Implementation

Implementation includes a variety of activities in the broad categories of capacity building, financial analysis and data gathering, infrastructure improvements and business development financing.

A. Feasibility Analyses

- A. Participate in feasibility studies of new or expanding industries.
- B. Assist with the Pembina/Walsh County Livestock Processing planning process.
- C. Initiate, in partnership with private development, a study on the Life Skills and Transition Center power plant for potential commercial greenhouse development.

B. Youth Entrepreneurship Development

- Serve on Leadership Advisory Committee for Marketplace for Kids and regional entrepreneurial events within the region.
- Support youth entrepreneurship, career and technology camps and initiatives.

C. Economic Development / Job Creation

- Continue to provide management to the Pembina and Nelson County Job Development Authorities (JDA's) the official county economic development entities.
- Maintain relationship/partnership with the Walsh County Job Development Authority.
- Continue to promote and make the RRRC's revolving loan programs available to the region's businesses and political entities.
- Continue to promote and make the JDA's resources available to the region's businesses and political entities.
- Assist expanding businesses in preparing business plans for funding.



- Provide administrative and application assistance to interested applicants that wish to make use of eligible EDA, SBA, USDA Rural Development and other Federal and State agencies grant and financing programs.
- Continue to cultivate a more positive relationships with the ND Department of Commerce, Bank of North Dakota, ND Housing Finance Agency, ND Department of Health, ND Public Finance Agency, bond advisors, and other agencies or entities as appropriate and relevant to consistently relay the needs of the region and develop proactive strategies.
- Support regional tourism development activities.
- Convene and/or attend discussions with regional economic development professionals and/or development organizations to explore service delivery and enhancement to promote economic development within the region.
- Explore development of initiative to assist regional businesses seeking opportunities in the “Oil Patch” of western North Dakota.
- Serve on the ND Community Foundation and Grafton Endowment Fund Boards of Directors.
- Maintain membership in the Economic Development Association of North Dakota.

D. Public Infrastructure

- Provide technical assistance for public works, infrastructure development and repair.

E. Professional Development

- Research, select, and undertake appropriate economic development professional development training opportunities for staff to support and implement this Scope of Work.

F. Public Information

- Promote the region’s development initiatives, activities, and program via regular e-newsletters, mass emails, annual report, and update the RRRC website.



Section 8

RRRC will be the lead agency in the implementation of the CEDS, but will engage many partners in the effort to meet the overall regional goal of assuring the long-term viability of the region's rural communities and enhancing the economic well-being of the regions residents. Below is a sampling of those plans and relevant objectives.

State and Local Plans

Valley Prosperity Partnership

A regional economic development initiative focused on joining together industry, higher education, community, and economic development stakeholders to establish common economic development priorities, direction and resources in the Red River Valley. The VPP is working to bring all communities in the Red River Valley together to develop a unified, shared vision for high value and sustained economic growth for all its residents by:

- Advocating the Valley's interests and concerns to state and federal elected officials,
- Leveraging and promoting existing resources
- Creating new programs and resources that address gaps or limitations
- Strengthening public and private sector partnerships and communication
- Building upon the Valley's research and higher education strengths
- Influencing current and future public policy strategically
- Developing clear and transparent performance measures to gauge impact

Grand Sky

Led by Grand Forks County, Grand Sky is the nation's first business and Technology Park for Unmanned Aerial Systems is being developed in the Grand Forks region through a partnership with the US Air Force. Tenants of the 217-acre development will have a dedicated UAS environment that supports testing, research, and development with access to North Dakota's UAS test site, University of North Dakota UAS expertise, and Northland Community and Technical Collage UAS training program.



North Dakota Economic Development Strategic Plan, 2010 – 2020

- Create, attract and retain quality jobs and workforce in targeted industries and high demand occupations such as advanced manufacturing, technology based businesses, value added agriculture, tourism and energy
- Accelerate innovation and entrepreneurship in targeted industries and emerging technologies

Pembina Gorge Recreation Area Master Plan

North Dakota Parks and Recreation Department (NDPRD) is leading development of a master plan to describe and illustrate a long-term vision for visitor experience, facility development, resource conservation, and management. The plan will be developed with extensive input from the public and government agencies. Research will be conducted to identify opportunities, constraints and public opinion about preferred recreation experiences. Guiding statements will be defined to assure that proposed actions support the SRA purpose, significance, constraints, desired visitor experience, and optimal resource conditions. Photography, maps and designs will be used to illustrate current conditions and solutions.

North Dakota 2.0

North Dakota 2.0 was a planning effort initiated by USDA Rural Development in 2012. North Dakota 2.0 was introduced to help stimulate a dialogue on the future of North Dakota. Fourteen community meetings were held across the State which led to the development of eight recommendations focus on Infrastructure, Housing, Transparency, Leadership, Local Investment, Healthcare, Education, and Bold Ideas.

North Dakota 2020 and Beyond

North Dakota 2020 & Beyond was formed to expand North Dakota’s vision for the future. Governor Jack Dalrymple, the Greater North Dakota Chamber and the North Dakota Economic Development Foundation teamed up to lead the statewide development initiative. A steering committee and an advisory board, comprised of proven business leaders representing the state’s eight regions, guided the process and developed this plan to capture ideas from across the state.

North Dakota 2020 & Beyond is a visionary process initiated in 2012 to gather input from the People of North Dakota to imagine our future. It identifies opportunities that help prepare the state for ongoing economic and community development. For the past decade, North Dakota has been aggressive in its economic development efforts, with a solid plan centered on job creation and building a positive environment for business development. The state enjoys abundant resources, a budget reserve and a growing economy. This position also allows us the ability to build upon our strengths, discover new opportunities and ensure our future is bright. This is the vision of North Dakota 2020 & Beyond; a vision that focuses on: the value of our PEOPLE, our unique quality of PLACE and our diverse OPPORTUNITIES.



CEDS Plan of Action

Entrepreneurship Culture Development

- Provide leadership and support for youth entrepreneurship development. Programs include Marketplace for Kids and ND Youth Entrepreneurship Education Program.
- Consider the development of youth business funding program for the region.
- Support TEDx events.
- Provide education and consulting services to potential business owners in partnership with the ND Small Business Development Center.
- Consider the development of special events such as “Shark Tank” to draw attention to rising entrepreneurs.

Value-Added Agriculture

- Continue to support ND Agricultural Products Utilization Commission grants for value-added agriculture projects in the region.
- Participate in steering and organizing committees.
- Provide financing for infrastructure to support value-added agriculture development.
- Work with local communities and the ND Department of Commerce in developing responses to RFP’s for value-added projects.

Financing Support for Primary Sector Development

- Provide direct loans to support primary sector business development and expansion projects.
- Work closely with local, state, and federal partners to develop attractive packages.
- Work with local communities and the ND Department of Commerce in developing responses to RFP’s for primary sector projects.
- Support the Grand Sky Enhanced Use Lease Initiative and potential commercial opportunities for Unmanned Aircraft System development in Grand Forks County and the region.

Infrastructure for Business and Industry – Support and Funding

- Continue to use the Community Development Block Grant Program and other resources to fund essential infrastructure for business and industry development and expansion.
- Survey businesses in the region to determine succession planning needs.



Community Infrastructure Improvements – Support and Funding

- Continue to use the Community Development Block Grant Program and other resources to fund essential infrastructure for needed municipal infrastructure improvements.
- Conduct a community survey that identifies projects and priorities for infrastructure improvements.
- Seek out and partner with other sources of funding to help implement projects.
- Support emergency services and community-betterment projects.

Telecommunication

- Survey communities to find out what is lacking in telecommunications in the region.
- Work with telecommunications providers to develop a plan to fix telecommunication issues.
- Research funding options to help defray the cost of expenses to update telecommunications.

Tourism Development and Marketing

- Support the redevelopment of the “Rendezvous Region Tourism Council”
- Work with local Chamber of Commerce to develop a county-wide Chamber of Commerce for cities that are interested.
- Inventory area tourism attractions.
- Promote tourism on the RRRC website.
- Research the potential of a Regional Marketing position.
- Research availability of grants specific to tourism and promote on the website.
- Promote regional tourism events on the RRRC Facebook page.
- Continue to assist local and county Parks and Recreation Boards to locate funding to improve community parks and recreation opportunities

Education

- Continue to work with North Valley Career and Technology Center in Grafton to facilitate educational programming in project-based learning, STEM education, and career-focused training for school-aged children and adults.

Housing Development and Rehabilitation

- Continue to address housing needs through rehabilitation and development projects.



Elimination of Slum and Blight

- Identify needs for slum and blight removal.
- Identify potential funding sources to implement projects.

Mitigate impacts of disasters on the Region's economy

- Work with all counties to ensure each have a Multi-Hazard Mitigation Plan.



Section 9

Performance Measures

Performance measures include:

- Number of jobs created
- Number and types of investments undertaken in the region
- Number of jobs retained
- Amount of private sector investment
- Changes in the economic environment of the region.
- Number of jobs created in investments in the region in which public financing played a key role in bringing the investments to fruition;
- Number of jobs retained in investments in the region in which public financing played a key role;
- Estimated private investment in projects in the region in which public financing played a key role;
- The number of K-12 students enrolled in STEM or career education curricula in 2017 vs. 2013;
- County median household income, adjusted for inflation, 2017 vs. 2013;
- County median household income as a percentage of national median, 2017 vs. 2013;
- Regional median age, 2017 vs. 2013;
- Population trends by county;
- Net migration in rural counties;
- Number of loans to primary sector businesses using public financing programs, by year
- Feasibility analysis studies for value-added agriculture being done in the region.



Appendix A

Background and Analysis of Economic Development Problems and Opportunities Presentation

Public Forum hosted by the RRRC Board of Directors
March 20, 2014
David T. Flynn, Ph.D.



Region IV Economic & Demographic Statistics Conversation

David T. Flynn, Ph.D.

Bureau of Business & Economic Research
University of North Dakota

March 20, 2014

Flynn (BBER)

Region IV Conversation

March 20, 2014 1 / 47

Introduction

Welcome

- I am very excited to be here to discuss this recent work.
- Since moving here in 2001 I witnessed firsthand the regional concerns with economic growth & development.
- I want to emphasize that this is supposed to be a conversation, not a lecture by me.
- While I have presentation slides with me, wherever the conversation leads us, for the most part, is where we will go.
- Let me start by giving you a brief description of what I did.

Flynn (BBER)

Region IV Conversation

March 20, 2014 2 / 47

Introduction

Data compilation

- A Comprehensive Economic Development Strategy (CEDS) is no small undertaking.
- There are many important, difficult questions that need answers.
- In many cases these questions cannot even be asked without data.
- Certainly quality answers require discussing the relevant data.
- What I did was compile together key data to help facilitate planning.

Flynn (BBER)

Region IV Conversation

March 20, 2014 3 / 47



Data Sources

- The data come from a variety of sources:
 - ▶ Bureau of Economic Analysis
 - ▶ Bureau of Labor Statistics
 - ▶ National Agricultural Statistics Service
 - ▶ Census Bureau
 - ▶ Woods & Poole
 - ▶ IMPLAN
- These data related to population & economic factors.
- The includes labor force factors, population, age structure, earnings, and others.

Big Picture Outcomes

- 1 There are really five distinct economic units in this region.
- 2 There are a few key sectors driving performance in the regional economy.
- 3 The economic data are mixed, which is to be expected, detailing some strengths and some weakness.
- 4 The economic threats and opportunities are real and will require careful planning and coordination to avoid or exploit, as the case may be.

Noteworthy points

- Government employment is over 20% of regional employment.
- Agriculture accounts for significant employment too.
- Only one type of manufacturing in the top 10 for the region.
- Retail and health services are also large shares.



Table 1.1: Top ten employment sectors, Region IV and Counties

Sector	Region IV	Grand Forks	Nelson	Pembina	Walsh
State/local gov't, non-education	5,774	3,691	221	530	1,333
State/local gov't, education	4,782	4,221	59	143	359
Food services & drinking places	4,349	3,843	72	187	247
Private hospitals	2,942	2,660	33	76	172
Military	2,449	2,239	25	96	89
Wholesale trade businesses	2,409	1,505	123	360	422
Nursing/residential care facilities	2,389	1,592	188	161	449
Grain farming	1,934	623	488	274	549
Sugar beet farming	1,708	449	0	571	689
Health practitioner offices	1,644	1,511	15	20	97

Table 1.2: Top ten output sectors, Region IV and counties (\$ millions)

Sector	Region IV	Grand Forks	Nelson	Pembina	Walsh
Wholesale trade businesses	\$392.6	243.8	17.9	61.3	78.0
Military	363.6	338.7	2.5	13.4	5.8
Grain farming	345.1	113.6	50.4	90.4	90.8
Private hospitals	338.7	309.1	3.4	7.8	18.4
State/local gov't, non-education	309.3	215.8	9.8	19.4	60.9
Depository intermediation activities	276.9	180.2	20.7	38.7	37.3
Turbine & generator manufacturing	265.0	265.0	0	0	0
Federal gov't, non-military	234.5	168.3	1.8	61.3	3.1
State/local gov't, education	231.5	210.1	2.2	5.2	14.0
Health practitioner offices	218.4	205.8	0.8	2.0	9.7

Source: MIG IMPLAN database, 2011. The top ten sectors are based on output for the region as a whole. Imputed rental activity for owner occupied dwellings excluded.

Table 1.3: Aggregated employment sectors, Region IV

Sector	Grand Forks	Nelson	Pembina	Walsh	Reg. IV	% of total
Agriculture, forestry, fishing, hunting	1,946	799	1,062	1,658	5,464	8.0
Mining	675	0	22	11	708	1.0
Utilities	259	5	4	10	278	0.4
Construction	2,382	35	311	280	3,009	4.4
Manufacturing	2,060	40	626	537	3,262	4.8
Wholesale trade	1,505	123	360	422	2,409	3.5
Retail trade	7,201	131	459	607	8,398	12.3
Transportation & warehousing	1,398	41	167	321	1,928	2.8
Information	464	6	16	130	616	0.9
Finance & insurance	1,327	353	331	394	2,405	3.5
Real estate & rental	923	26	164	95	1,209	1.8
Professional, scientific & technical services	2,207	36	133	178	2,554	3.7
Management of companies	137	0	3	0	140	0.2
Administrative & waste services	1,959	17	115	142	2,232	3.3
Educational services	437	2	20	8	467	0.7
Health & social services	7,787	251	334	826	9,199	13.5
Arts, entertainment & recreation	1,599	8	78	75	1,760	2.6
Accommodation & food services	4,435	89	215	280	5,018	7.4
Other services	2,141	90	234	322	2,787	4.1
Government & non-NAICS	11,153	342	1,027	1,877	14,399	21.1
Total	51,994	2,394	5,680	8,173	68,240	100.0

Source: MIG IMPLAN database, 2011. Region IV model composed of Grand Forks County, Nelson County, Pembina County, Walsh County. 440 sector model aggregated to 2-digit NAICS level and sorted ascending by NAICS code.



Major results

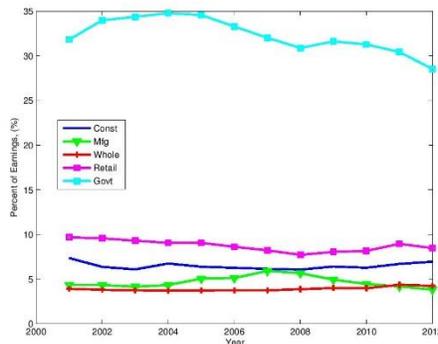
- Real farm earnings up more than 173% in the last decade (more on this later).
- Retail trade is high employment but lower earnings and declined in some counties.
- Shares can decline when a sector stays the same but overall earnings are rising.
- Manufacturing not a high share of earnings everywhere.
- Government is also a high share of earnings.

Table 1.4: Region IV County real farm earnings, 2001-2012, (thousands 2012 \$s)

Year	Grand Forks	Nelson	Pembina	Walsh
2001	50,009	11,360	58,835	59,678
2002	55,579	18,702	59,022	55,461
2003	83,912	35,617	84,547	64,838
2004	41,182	12,344	46,579	38,338
2005	38,816	14,644	40,602	44,810
2006	49,559	5,059	72,036	44,836
2007	82,277	29,194	71,599	56,374
2008	119,242	53,227	117,893	98,886
2009	89,994	30,274	64,410	54,297
2010	126,220	25,551	95,613	77,418
2011	78,190	24,130	44,652	31,814
2012	204,282	59,925	123,156	103,785

Source: Bureau of Economic Analysis, Table CA05N. Price index information taken from Bureau of Labor Statistics.

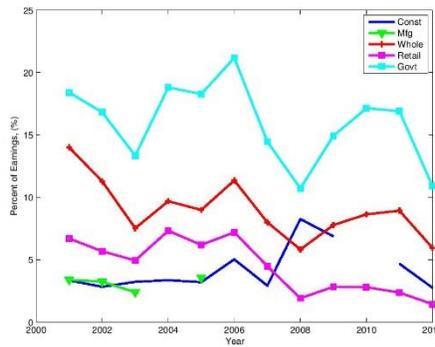
Figure 1.1: Share of total earnings for select industries, Grand Forks County, 2001-2012



Source: Bureau of Economic Analysis. Table CA05N

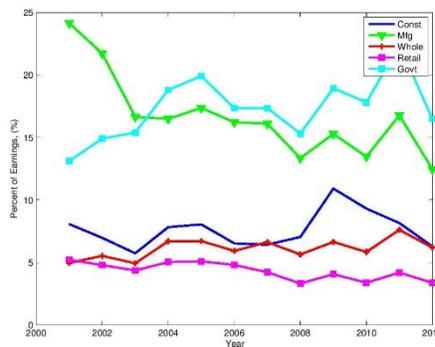


Figure 1.2: Share of total earnings for select industries, Nelson County, 2001-2012



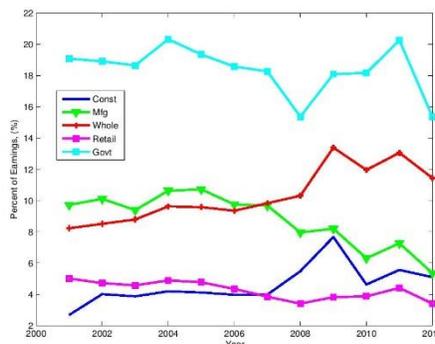
Source: Bureau of Economic Analysis. Table CA05N

Figure 1.3: Share of total earnings for select industries, Pembina County, 2001-2012



Source: Bureau of Economic Analysis. Table CA05N

Figure 1.4: Share of total earnings for select industries, Walsh County, 2001-2012



Source: Bureau of Economic Analysis. Table CA05N



Major findings

- Rural GF county behaves more like other counties than GF city.
- Population decline a notable feature for most areas in Region IV.
- Median age in most of Region IV significantly higher than state average.
- From 2000-12 some areas saw significant decline in younger population.
- Regional population expected to rise, but it is a different story across counties.
- Migration is not a major factor lately.

Table 1.5: Population 1980-2012, Region 4

Region	1980	1990	2000	2010	2012	1990-00	2000-10	2010-12
Grand Forks	66,100	70,683	66,109	66,861	67,472	-6.471%	1.14%	0.91%
Nelson	5,233	4,410	3,715	3,126	3,080	-15.7%	-15.86%	-1.47%
Pembina	10,399	9,238	8,585	7,413	7,271	-7.07%	-13.65%	-1.92%
Walsh	15,371	13,840	12,389	11,119	11,046	-10.48%	-10.25%	-0.66%
Total	97,103	98,171	90,798	88,519	88,869	-7.51%	-2.51%	0.40%
Grand Forks City	43,765	49,425	49,321	52,838	53,456	-0.21%	7.13%	1.17%
Region IV less GF City	53,338	48,746	41,477	35,681	35,413	-14.91%	-13.97%	-0.75%

Source: County Data from Census Bureau County Quick Stats. Grand Forks city data from Census Quick Stats and Historical Census Statistics On Population Totals By Race, 1790 to 1990, and By Hispanic Origin, 1970 to 1990, For Large Cities And Other Urban Places In The United States.

Figure 1.5: 1980 Population, Region IV

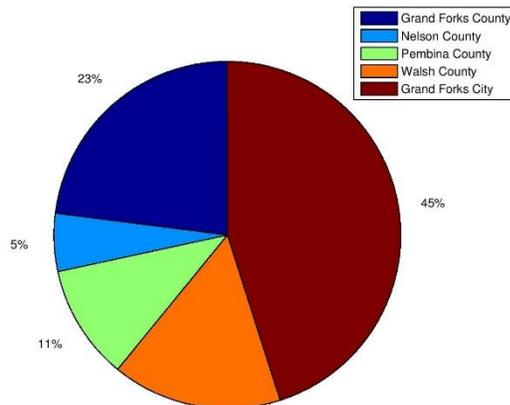


Figure 1.6: 2012 Population, Region IV

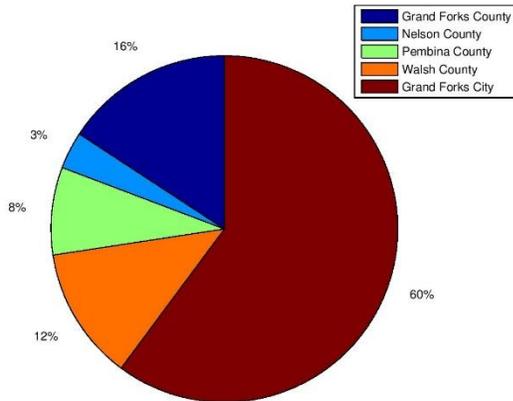


Table 1.6: Median age by geographic area, 2000-2012

Region	2000	2010	2012
North Dakota	36.2	37.0	36.1
Grand Forks	29.2	29.7	29.5
Nelson	47.2	51.5	51.4
Pembina	41.6	46.7	47.1
Walsh	40.9	45.9	45.6
Grand Forks City	28.3	28.4	28.2
GF County*	31.8	34.6	34.5

Source: 2012 data from U.S. Census Bureau, 2008-2012 American Community Survey. 2000 and 2010 data taken from 2000 and 2010 Census. GF County* data calculated by author from Grand Forks County and city data.

Table 1.7: Age breakdown for Grand Forks County, City and County less City, 2000-2012

Region/Age Group	2012	%	2010	%	2000	%	%Δ (2000-12)
<i>Grand Forks County</i>							
Total	67,472		66,861		66,109		
Under 18	13,084	19.4	13,421	22.3	15,735	23.8	-16.8
18-24	15,079	22.3	14,425	12.0	12,985	19.6	16.1
25-44	16,874	25.0	16,746	24.6	19,020	28.8	-11.3
45-64	15,125	22.4	15,366	26.5	12,001	18.2	26.0
Over 65	7,310	10.8	6,903	14.5	6,368	9.6	14.8
<i>Grand Forks City</i>							
Total	52,773		52,838		49,321		
Under 18	9,499	18.0	9,736	18.4	10,565	21.4	-10.1
18-24	13,563	25.7	13,025	24.7	11,274	22.9	20.3
25-44	13,035	24.7	13,266	25.1	13,638	27.7	-4.4
45-64	11,346	21.5	11,475	21.7	9,008	18.3	26.0
Over 65	5,436	10.3	5,336	10.1	4,836	9.8	12.4
<i>Rural Grand Forks County</i>							
Total	14,699		14,023		16,788		
Under 18	3,585	24.4	3,685	26.3	5,170	30.8	-30.7
18-24	1,516	10.3	1,400	10.0	1,711	10.2	-11.4
25-44	3,839	26.1	3,480	24.8	5,382	32.1	-28.7
45-64	3,779	25.7	3,891	27.7	2,993	17.8	26.3
Over 65	1,874	12.8	1,567	11.2	1,532	9.1	22.3



Figure 1.8: Age breakdown for Nelson, Pembina & Walsh Counties, 2000-2012

Region/Age Group	2012	%	2010	%	2000	%	%Δ (2000-12)
<i>Nelson County</i>							
Total	3,115		3,126		3,715		
Under 18	579	18.6	560	17.9	820	22.1	-29.3
18-24	162	5.2	161	5.2	148	4.0	9.5
25-44	514	16.5	513	16.4	755	20.4	-31.9
45-64	1,006	32.3	1,034	33.1	973	26.2	3.4
Over 65	850	27.3	858	27.4	1,019	27.4	-16.5
<i>Pembina County</i>							
Total	7,383		7,413		8,585		
Under 18	1,580	21.4	1,600	21.6	2,140	24.9	-26.2
18-24	436	5.9	448	6.0	533	6.2	-18.3
25-44	1,491	20.2	1,491	20.1	2,113	28.3	-29.4
45-64	2,370	32.1	2,385	32.2	2,125	24.8	11.5
Over 65	1,514	20.5	1,489	20.1	1,674	19.5	-9.6
<i>Walsh County</i>							
Total	11,131		11,119		12,389		
Under 18	2,460	22.1	2,467	22.2	3,091	24.9	-20.4
18-24	735	6.6	725	6.5	807	6.5	-9.0
25-44	2,260	20.3	2,246	20.2	3,100	25.0	-27.1
45-64	3,362	30.2	3,444	31	3,001	24.2	12.0
Over 65	2,293	20.6	2,237	20.1	2,390	19.3	-4.1

Table 1.9: County population projections, 2020-2040

County	2020	2025	2030	2040
Grand Forks	71,960	74,040	76,140	80,390
Nelson	3,140	3,120	3,100	3,060
Pembina	7,440	7,430	7,410	7,380
Walsh	10,790	10,720	10,660	10,550
Region IV	93,330	95,310	97,310	101,380

Source: 2008 State Profile: State and County Projections to 2040, Woods & Poole Economics, Inc. Washington, D.C. Copyright 2008. Woods & Poole does not guarantee the accuracy of these data.

Table 1.10: Net migration for Nelson, Pembina, and Walsh counties

Residence 1 year ago	Nelson Estimate	Percent	Pembina Estimate	Percent	Walsh Estimate	Percent
Population 1 year +	3,079		7,286		10,997	
Same house	2,854	92.7	6,326	86.8	9,868	89.7
Different house, same County	72	2.3	437	6.0	578	5.3
Different house & County	86	2.8	323	4.4	287	2.6
Different state	67	2.2	179	2.5	231	2.1
Abroad	0	0.0	21	0.3	33	0.3

Source: U.S. Census Bureau, 2008-2012 American Community Survey, Table DP02.



Table 1.11: Net migration for Grand Forks County, Grand Forks city, and rural GF County

Residence 1 year ago	County Estimate	Percent	City Estimate	Percent	County* Estimate	Percent
Population 1 year +	65,997		52,055		13,942	
Same house	50,808	77.0	38,613	74.2	12,195	87.5
Different house, same County	7,453	11.3	6,781	13.0	672	4.8
Different house & county	1,800	2.7	1,722	3.3	78	0.6
Different state	5,145	7.8	4,413	8.5	732	5.3
Abroad	791	1.2	526	1.0	264	1.9

Source: U.S. Census Bureau, 2008-2012 American Community Survey, Table DP02. County* is the portion of the County excluding the city of Grand Forks.

Labor dynamics

- Labor force also shows that Grand Forks City follows a different pattern from the other four areas in the region.
- Employment displays a similar pattern.
- Both are down in the region since 2000.
- Regional unemployment rate up, but well below national averages.
- Region IV educated but not overly so compared to state average.
- Education still a good opportunity to leverage for economic growth.

Table 1.12: Labor force in Region IV, 2000-2012

Area	2000	2008	2009	2010	2011	2012	Δ 00-12	% Δ 00-12
Grand Forks County	36,288	38,869	38,140	37,673	37,104	36,151	-137	-0.4
Grand Forks City	28,610	31,804	31,209	31,397	30,934	30,121	1,511	5.3
Grand Forks*	7,678	7,065	6,931	6,276	6,170	6,030	-1,648	-21.5
Nelson County	1,840	1,729	1,728	1,655	1,624	1,498	-342	-18.6
Pembina County	4,733	3,930	3,935	3,855	3,719	3,543	-1,190	-25.1
Walsh County	6,519	5,674	5,629	5,503	5,228	4,981	-1,538	-23.6
Region IV	85,668	89,071	87,572	86,359	84,779	82,324	-3,344	-3.9

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics. Extracted March 2014. Grand Forks* designates non-city portion of Grand Forks County and was calculated by the author.



Table 1.13: Employment in Region IV, 2000-2012

Area	2000	2008	2009	2010	2011	2012	Δ 00-12	%Δ 00-12
Grand Forks County	35,277	37,713	36,627	36,258	35,647	34,813	-464	-1.3
Grand Forks City	27,864	30,916	30,042	30,316	29,806	29,108	1,244	4.5
Grand Forks*	7,413	6,797	6,585	5,942	5,841	5,705	-1,708	-23.0
Nelson County	1,770	1,672	1,656	1,591	1,557	1,436	-334	-18.9
Pembina County	4,489	3,728	3,704	3,607	3,459	3,311	-1,178	-26.2
Walsh County	6,287	5,429	5,354	5,201	4,944	4,715	-1,572	-25.0
Region IV	83,100	86,255	83,968	82,915	81,254	79,088	-4,012	-4.8

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics. Extracted March 2014. Grand Forks* designates non-city portion of Grand Forks County and was calculated by the author.

Table 1.14: Unemployment rate in Region IV, 2008-2012

Area	2008	2009	2010	2011	2012
Grand Forks County	2.8	3.0	4.0	3.8	3.7
Grand Forks City	2.6	2.8	3.7	3.4	3.4
Grand Forks*	3.5	3.8	5.0	5.3	5.4
Nelson County	3.8	3.3	4.2	3.9	4.1
Pembina County	5.2	5.1	5.9	6.4	6.5
Walsh County	3.6	4.3	4.9	5.5	5.3
Region IV	3.0	3.2	4.1	4.0	3.9

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics. Extracted March 2014. Grand Forks* designates non-city portion of Grand Forks County and was calculated by the author.

Table 1.15: Educational attainment for North Dakota, 2012

Degree	North Dakota	
	Estimate	Percent
Population 25 year +	442,789	
High School graduate	120,581	27.2
Some college	105,668	23.9
Associate's degree	54,634	12.3
Bachelor's degree	86,925	19.6
Graduate/prof. degree	32,875	7.4
Total	400,281	90.4

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year estimate, Table DP02.



Table 1.16: Educational attainment for Nelson, Pembina, and Walsh counties, 2012

Degree	Nelson Estimate	Percent	Pembina Estimate	Percent	Walsh Estimate	Percent
Population 25 year +	2,373		5,370		7,931	
High School graduate	697	29.4	1,839	34.2	2,574	32.5
Some college	495	20.9	1,266	23.3	1,816	22.9
Associate's degree	411	17.3	569	10.6	848	10.7
Bachelor's degree	398	16.8	916	17.1	991	12.5
Graduate/prof. degree	94	4.0	153	2.8	310	3.9
Total	2,095	88.4	4,743	88.3	6,539	82.5

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year estimate, Table DP02.

Table 1.17: Educational attainment for Grand Forks County, Grand Forks city, and the non-city part of GF County

Degree	County Estimate	Percent	City Estimate	Percent	Rural GF Estimate	Percent
Population 25 year +	38,646		29,691		8,955	
High School graduate	9,395	24.3	6,979	23.5	2,416	27.0
Some college	9,311	24.1	6,997	23.6	2,314	25.8
Associate's degree	4,286	11.1	3,065	10.3	1,221	13.6
Bachelor's degree	8,180	21.2	6,441	21.7	1,739	19.4
Graduate/prof. degree	4,743	12.3	4,096	13.8	647	7.2
Total	35,915	93	27,578	92.9	8,337	93

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-year estimate, Table DP02.

Summary of findings

- Land prices on the rise in Region IV.
- Sugar beets important, but not only crop.
- Over \$45 million in additional losses from \$90 million reduction to beet farmers.
- Well over 1,000 jobs lost in total.
- Agriculture a key sector to the region's performance.



Figure 2.1: Average value of rented land, 1989–2012

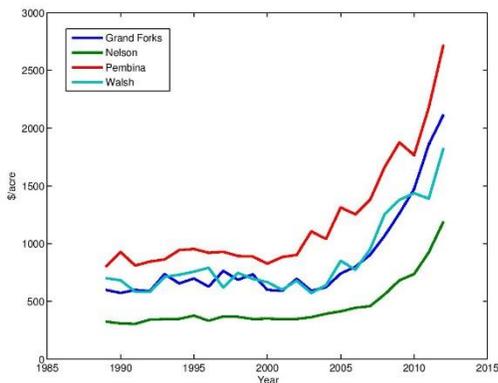


Figure 2.2: Average rental rate, 1989-2012

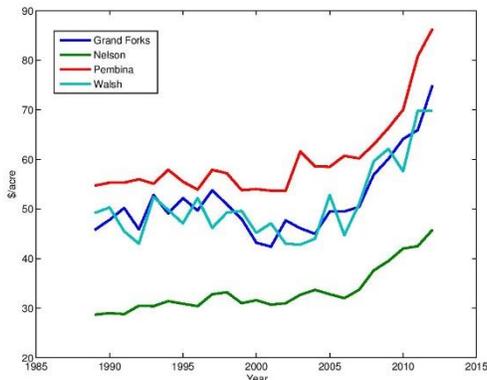


Figure 2.3: Grand Forks Land Usage

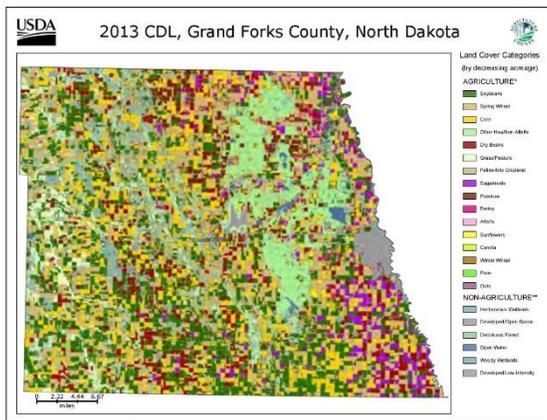


Figure 2.4: Nelson County Land Usage

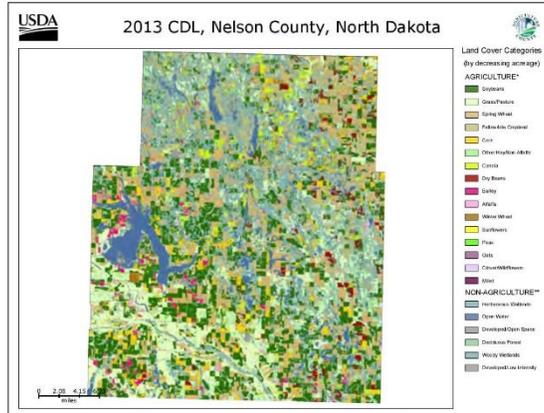


Figure 2.5: Pembina County Land Usage

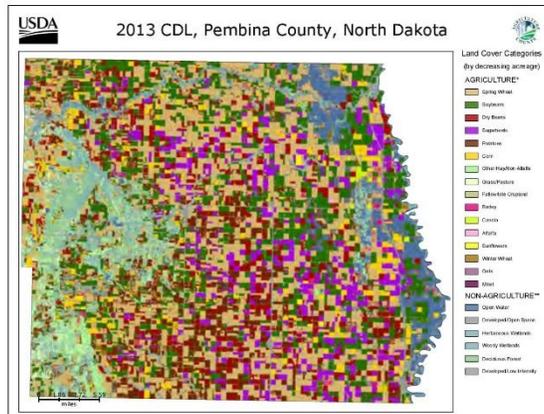


Figure 2.6: Walsh County Land Usage

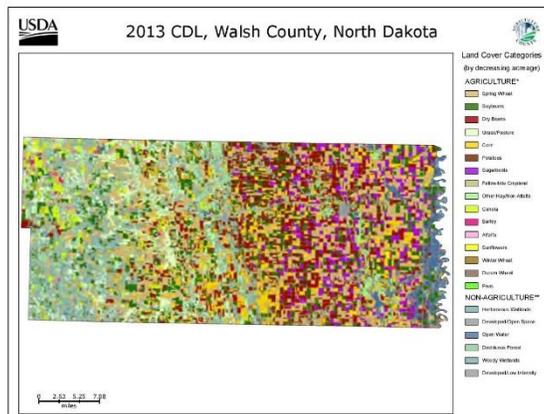


Table 2.1: Farm economic impact results, Region IV

Impact type	Employment	Output
Direct effect	-753.0	-\$90,000,000
Indirect effect	-215.0	-\$26,795,301
Induced effect	-172.6	-\$18,705,620
Total effect	-1,140.6	-\$135,499,922

Note: These are reductions for a \$90 million reduction to sugar beet farmers.

Table 2.2: Top ten employment decreases, Region IV

Sector	Employment decreases
Sugar beet farming	784.5
Support activities for agriculture & forestry	60.1
Food services & drinking places	27.6
Maintenance and repair construction of nonresidential structures	27.6
Monetary authorities & depository/credit intermediation activities	25.0
Real estate establishments	18.9
Private hospitals	13.3
Wholesale trade businesses	12.3
Offices of physicians, dentists, & other health practitioners	9.3
Retail stores-general merchandise	8.7

Note: These are reductions in Region IV employment per \$10 million reduction to sugar beet farmers.

Summary of findings

- UAS represents a new activity in the region.
- There is significant potential growth.
- How fast the growth occurs and how sustainable is not clear.
- Distribution and nature of gains difficult to determine until we see early successes.



Table 2.3: Hypothetical UAS employment distribution

Sector	Employment increases
Manufacturing	150
Transportation & warehousing	100
Professional–scientific & technical services	250
Administrative & waste services	100
Educational services	300
Government	100

Note: We are not aware of a specific timeline or breakdown of likely employment gains. This is not an official estimate but a hypothetical impact.

Table 2.4: UAS economic impact results, Region IV

Impact type	Employment	Output
Direct effect	1,000	\$138,854,418
Indirect effect	216.6	\$29,920,195
Induced effect	225.0	\$24,625,888
Total effect	1,441.6	\$193,400,501

Note: These results are preliminary and highly sensitive to the distribution of jobs. They should be thought of as a hypothetical exercise and not a prediction of what will result from UAS.

Summary of findings

- Dynamics of oil economy with Region IV are complex.
- Little direct impact of continued oil activity.
- The west cannot keep up with their own expansion.
- Needs supplement from firms like those in Region IV.



Table 2.5: "Oil Patch" summary economic impact results

Impact type	Employment	Output
Direct effect	63.9	\$50,000,002
Indirect effect	35.3	\$6,654,333
Induced effect	26.1	\$3,125,851
Total effect	125.4	\$59,780,186

Note: These results assume a full adjustment occurs in the economy.

Table 2.6: Region IV summary economic impact results from "Oil Patch" oil activity

Impact type	Employment	Output
Direct effect	0.0	\$0
Indirect effect	0.0	\$15,691
Induced effect	0.0	\$2,437
Total effect	0.1	\$18,128

Note: These results assume a full adjustment occurs in the economy.



Appendix B

Region IV Self-Identified Strengths and Weaknesses

Aggregated Report from County Strategy Sessions



REGION STRENGTHS

REGION: **Red River Region**
Red River Regional Council

Records: 29

STRENGTHS

ASSETS		COUNT: 8
Existence of a large volume of agricultural commodities	4.0	Strength
Absence of "bad neighbor" business activity	3.8	Strength
Local/regional recreational and tourist attractions	3.8	Strength
Financially sound existing health care facility	3.5	Strength
Nearby existing or prospective cultural attraction	3.5	Strength
Proximity to urban areas and workforce centers	3.3	Strength
Quality recreational amenities	3.3	Strength
Quality residential neighborhoods	3.3	Strength

CAPITAL		COUNT: 3
Access to small business financing	3.5	Strength
Ability to secure power-purchase agreements	3.3	Strength
Community ability to assist businesses to secure large-scale capital	3.0	Strength

EXPERTISE		COUNT: 5
Ability to market and sell value-added agricultural and/or forest products	3.5	Strength
Capable, experienced economic development professionals	3.5	Strength
Collaboration of local education professionals at all levels	3.0	Strength
Competent, strategic-minded hospital and health care executives	3.0	Strength
Team approach to securing infrastructure funding	3.0	Strength

GOVERNMENT		COUNT: 6
Community accepts and embraces tourism industry	3.3	Strength
Local government support for community and economic development	3.0	Strength
Local pro-business climate	3.0	Strength
Relationship between community and political delegations	3.0	Strength
Relationship between economic development organization and business community	3.0	Strength
Supportive state energy policies and incentives	3.0	Strength

INFRASTRUCTURE		COUNT: 5
Availability of high-speed Internet	3.5	Strength
Availability of brownfield sites	3.0	Strength



REGION: Red River Region
Red River Regional Council

STRENGTHS

Availability of local infrastructure for business expansion/relocation	3.0	Strength
Availability of land for business expansion/relocation	2.8	Strength
Proximity to transmission lines with excess capacity	2.8	Strength

LOCATION

COUNT: 2

Proximity to scheduled air service	3.0	Strength
Strategic location for expansion of health care services	3.0	Strength



REGION STRENGTHS BY STRATEGY

REGION: **Red River Region**
Red River Regional Council

Records: 60

ATTRACTING FUNDING		TOTAL SELECTED: 4
Government		
Relationship between community and political delegations		3.0
ATTRACTING GOVERNMENT JOBS		TOTAL SELECTED: 1
Expertise		
Capable, experienced economic development professionals		3.5
Government		
Local government support for community and economic development		3.0
ATTRACTING LONE EAGLES		TOTAL SELECTED: 3
Assets		
Quality recreational amenities		3.3
Infrastructure		
Availability of high-speed Internet		3.5
Location		
Proximity to scheduled air service		3.0
ATTRACTING RETIREES		TOTAL SELECTED: 3
Assets		
Quality recreational amenities		3.3
Location		
Proximity to scheduled air service		3.0
BEDROOM COMMUNITY DEVELOPMENT		TOTAL SELECTED: 3
Assets		
Absence of "bad neighbor" business activity		3.8
Proximity to urban areas and workforce centers		3.3



BUSINESS CULTIVATION		TOTAL SELECTED: 3
Capital		
Access to small business financing		3.5
Expertise		
Capable, experienced economic development professionals		3.5
Government		
Local pro-business climate		3.0
Infrastructure		
Availability of local infrastructure for business expansion/relocation		3.0
BUSINESS RECRUITMENT		TOTAL SELECTED: 4
Capital		
Community ability to assist businesses to secure large-scale capital		3.0
Expertise		
Capable, experienced economic development professionals		3.5
Government		
Local government support for community and economic development		3.0
Infrastructure		
Availability of local infrastructure for business expansion/relocation		3.0
Location		
Proximity to scheduled air service		3.0
BUSINESS RETENTION AND EXPANSION		TOTAL SELECTED: 4
Capital		
Access to small business financing		3.5
Expertise		
Capable, experienced economic development professionals		3.5
Collaboration of local education professionals at all levels		3.0



Government

Local pro-business climate 3.0

Infrastructure

Availability of local infrastructure for business expansion/relocation 3.0

CULTURAL TOURISM

TOTAL SELECTED: 2

Assets

Nearby existing or prospective cultural attraction 3.5

DESTINATION TOURISM

TOTAL SELECTED: 1

Government

Community accepts and embraces tourism industry 3.3

Local government support for community and economic development 3.0

Location

Proximity to scheduled air service 3.0

DOWNTOWN DEVELOPMENT

TOTAL SELECTED: 4

Government

Local government support for community and economic development 3.0

EDUCATION DEVELOPMENT

TOTAL SELECTED: 3

Government

Local government support for community and economic development 3.0

ENERGY DEVELOPMENT

TOTAL SELECTED: 3

Capital

Ability to secure power-purchase agreements 3.3

Community ability to assist businesses to secure large-scale capital 3.0

Expertise

Capable, experienced economic development professionals 3.5



Government
Local government support for community and economic development **3.0**

ENTREPRENEURIAL DEVELOPMENT TOTAL SELECTED: 4

Capital
Access to small business financing **3.5**

Government
Local pro-business climate **3.0**

Infrastructure
Availability of high-speed Internet **3.5**

ENVIRONMENTAL RESTORATION TOTAL SELECTED: 3

Capital
Community ability to assist businesses to secure large-scale capital **3.0**

Expertise
Capable, experienced economic development professionals **3.5**

Government
Local government support for community and economic development **3.0**

Infrastructure
Availability of brownfield sites **3.0**

HEALTH CARE EXPANSION TOTAL SELECTED: 4

Assets
Financially sound existing health care facility **3.5**

Expertise
Competent, strategic-minded hospital and health care executives **3.0**

Location
Strategic location for expansion of health care services **3.0**



INFRASTRUCTURE DEVELOPMENT		TOTAL SELECTED: 4
Expertise		
Team approach to securing infrastructure funding		3.0
LEADING-EDGE DEVELOPMENT		TOTAL SELECTED: 4
Capital		
Community ability to assist businesses to secure large-scale capital		3.0
Expertise		
Capable, experienced economic development professionals		3.5
Government		
Local government support for community and economic development		3.0
Infrastructure		
Availability of local infrastructure for business expansion/relocation		3.0
Location		
Proximity to scheduled air service		3.0
LOCAL/REGIONAL TOURISM		TOTAL SELECTED: 4
Assets		
Local/regional recreational and tourist attractions		3.8
VALUE-ADDED AGRICULTURE		TOTAL SELECTED: 4
Assets		
Existence of a large volume of agricultural commodities		4.0
Capital		
Community ability to assist businesses to secure large-scale capital		3.0
Expertise		
Ability to market and sell value-added agricultural and/or forest products		3.5
Infrastructure		
Availability of local infrastructure for business expansion/relocation		3.0



REGION WEAKNESSES

REGION: **Red River Region**
Red River Regional Council

Records: 18

WEAKNESSES

ASSETS	COUNT: 5	
High availability of urban services	1.3	Weakness
Access to forests and forest products	0.8	Weakness
Proximity to minerals or raw materials	0.3	Weakness
Proximity to fisheries commodities	0.0	Weakness
Proximity to nationally recognized attractions	0.0	Weakness

CAPITAL	COUNT: 2	
Ability to secure long-term contracts for forest materials	0.8	Weakness
Sufficient marketing, promotion and/or public relations budget	0.3	Weakness

EXPERTISE	COUNT: 6	
Sophisticated use of the Internet for marketing to businesses	1.0	Weakness
Existence of expert energy development team	0.8	Weakness
Relationship with site selectors	0.8	Weakness
Community experience and networking at industry trade shows	0.5	Weakness
Staff focused on attracting retirees and/or lone eagles	0.5	Weakness
Implementation of Main Street Four-Point Approach™	0.3	Weakness

GOVERNMENT	COUNT: 3	
Community support for needed infrastructure rate increases	1.0	Weakness
Favorable state policies related to location of government offices/facilities	1.0	Weakness
Targeted recruitment of government offices/facilities	0.8	Weakness

INFRASTRUCTURE	COUNT: 1	
Adequate housing for service-related workforce	0.8	Weakness

LABOR	COUNT: 1	
Local, available, low-skill labor pool	0.8	Weakness



REGION WEAKNESSES BY STRATEGY

REGION: **Red River Region**
 Red River Regional Council

Records: 55

ATTRACTING GOVERNMENT JOBS TOTAL SELECTED: 1

Government	
Favorable state policies related to location of government offices/facilities	1.0
Targeted recruitment of government offices/facilities	0.8
Infrastructure	
Availability of local buildings for business expansion/relocation	1.8

ATTRACTING LONE EAGLES TOTAL SELECTED: 3

Assets	
Available, desirable housing	1.5
High availability of urban services	1.3
Capital	
Sufficient marketing, promotion and/or public relations budget	0.3
Expertise	
Staff focused on attracting retirees and/or lone eagles	0.5

ATTRACTING RETIREES TOTAL SELECTED: 3

Assets	
Available, desirable housing	1.5
High availability of urban services	1.3
Capital	
Sufficient marketing, promotion and/or public relations budget	0.3
Expertise	
Staff focused on attracting retirees and/or lone eagles	0.5
Government	
Community support for attracting retirees	1.5

BEDROOM COMMUNITY DEVELOPMENT TOTAL SELECTED: 3

Capital



Sufficient marketing, promotion and/or public relations budget 0.3

BUSINESS CULTIVATION TOTAL SELECTED: 3

Infrastructure
Availability of local buildings for business expansion/relocation 1.8

Labor
Local, available, high-skill labor pool 1.5
Local, available, low-skill labor pool 0.8

BUSINESS RECRUITMENT TOTAL SELECTED: 4

Capital
Competitive recruitment incentives 1.8

Expertise
Sophisticated use of the Internet for marketing to businesses 1.0
Relationship with site selectors 0.8
Community experience and networking at industry trade shows 0.5

Infrastructure
Availability of local buildings for business expansion/relocation 1.8

Labor
Local, available, high-skill labor pool 1.5
Local, available, low-skill labor pool 0.8

BUSINESS RETENTION AND EXPANSION TOTAL SELECTED: 4

Infrastructure
Availability of local buildings for business expansion/relocation 1.8

Labor
Local, available, high-skill labor pool 1.5
Local, available, low-skill labor pool 0.8

CULTURAL TOURISM TOTAL SELECTED: 2



Capital

Sufficient marketing, promotion and/or public relations budget **0.3**

Labor

Local, available, high-skill labor pool **1.5**

Local, available, low-skill labor pool **0.8**

DESTINATION TOURISM

TOTAL SELECTED: 1

Assets

Proximity to nationally recognized attractions **0.0**

Capital

Sufficient marketing, promotion and/or public relations budget **0.3**

Infrastructure

Adequate housing for service-related workforce **0.8**

Labor

Local, available, high-skill labor pool **1.5**

Local, available, low-skill labor pool **0.8**

DOWNTOWN DEVELOPMENT

TOTAL SELECTED: 4

Capital

Funding for downtown development **1.5**

Expertise

Implementation of Main Street Four-Point Approach™ **0.3**

EDUCATION DEVELOPMENT

TOTAL SELECTED: 3

Infrastructure

Availability of land/buildings for educational institution development **1.8**

ENERGY DEVELOPMENT

TOTAL SELECTED: 3

Expertise

Existence of expert energy development team **0.8**



HEALTH CARE EXPANSION **TOTAL SELECTED: 4**

Capital

Sufficient marketing, promotion and/or public relations budget **0.3**

Labor

Local, available, high-skill labor pool **1.5**

Local, available, low-skill labor pool **0.8**

INFRASTRUCTURE DEVELOPMENT **TOTAL SELECTED: 4**

Government

Community support for needed infrastructure rate increases **1.0**

LEADING-EDGE DEVELOPMENT **TOTAL SELECTED: 4**

Assets

High availability of urban services **1.3**

Capital

Competitive recruitment incentives **1.8**

Infrastructure

Availability of local buildings for business expansion/relocation **1.8**

Labor

Local, available, high-skill labor pool **1.5**

Local, available, low-skill labor pool **0.8**

LOCAL/REGIONAL TOURISM **TOTAL SELECTED: 4**

Capital

Sufficient marketing, promotion and/or public relations budget **0.3**

Expertise

Sophisticated coordination/marketing of local attractions/events **1.5**



PASS-THROUGH VISITOR SERVICES **TOTAL SELECTED: 3**

Government

Local focus on revenues from tourists **1.5**

Labor

Local, available, high-skill labor pool **1.5**

Local, available, low-skill labor pool **0.8**

VALUE-ADDED AGRICULTURE **TOTAL SELECTED: 4**

Infrastructure

Availability of local buildings for business expansion/relocation **1.8**

Labor

Local, available, high-skill labor pool **1.5**

Local, available, low-skill labor pool **0.8**



Appendix C

Region IV County Selected Economic Development Strategies Report



REGION STRATEGIES

REGION: **Red River Region**
Red River Regional Council

Records: 21

	✓	STRATEGY	SCORE	CATEGORY
Common	4	Value-added Agriculture	78	Value-added
Common	4	Entrepreneurial Development	67	General Business
Common	4	Health Care Expansion	66	Community Development
Common	4	Attracting Funding	66	Other
Common	4	Business Retention and Expansion	65	General Business
Common	4	Leading-edge Development	65	Sector-specific
Common	4	Local/Regional Tourism	62	Tourism
Common	4	Business Recruitment	54	General Business
Common	4	Infrastructure Development	53	Other
Common	4	Downtown Development	52	Community Development
Common	3	Environmental Restoration	77	Sector-specific
Common	3	Bedroom Community Development	71	Community Development
Common	3	Business Cultivation	65	General Business
Common	3	Energy Development	63	Sector-specific
Common	3	Education Development	57	Community Development
Common	3	Pass-through Visitor Services	49	Tourism
Common	3	Attracting Lone Eagles	47	Other
Common	3	Attracting Retirees	38	Other
	2	Cultural Tourism	60	Tourism
	1	Attracting Government Jobs	52	Other
	1	Destination Tourism	31	Tourism



Appendix D

Region IV County Selected Economic Development Strategies and Draft Action Steps



Business Development/Recruitment

GOALS:

Further diversify the regional economic base.	Improve infrastructure throughout the Region	Improve the marketing of the regional amenities.	Stabilize the Region's population of young families with children.	Mitigate impacts of natural disasters
---	--	--	--	---------------------------------------

Strategy and selected by:

	Objective			
Entrepreneurial Development	√		√	
Grand Forks, Pembina, Nelson and Walsh Counties	Inventory local resources for start-up businesses for business finance, workforce training, and business planning. Increase entrepreneurial and STEM education. Market the entrepreneurial development opportunities. Foster entrepreneurial development.			
Business Recruitment	√	√		
Grand Forks, Pembina, Nelson and Walsh Counties	Support the economic development in the communities. Compile a list of available local buildings, land and the availability of local infrastructure for business expansion or relocation. Determine what services are lacking in the region - plumbing, electrician, dental.			
Business Cultivation/Retention/Expansion	√			
Grand Forks, Pembina, Nelson and Walsh Counties	Contact existing businesses to determine any needs that could be met by new businesses. Survey the needs of existing businesses. Identify businesses in need of succession planning. Initiate a BRE Program and establish goals. Create vendor/supplier forums to discuss opportunities.			
Energy Development	√			
Grand Forks, Pembina, Nelson and Walsh Counties	Assess the potential for wind energy development. Identify the availability of energy resources.			
Leading Edge Development	√			
Grand Forks, Pembina, Nelson and Walsh Counties	Determine the needs of the targeted businesses (i.e. UAS). Establish a public relations effort to attract leading edge companies. Inventory true technology/industry advantages.			
Value Added-Ag/Forest Product	√		√	
Grand Forks, Pembina, Nelson and Walsh Counties	Identify crops in the area for future value added opportunities. Create awareness for locally grown foods. Explore the capability of existing local businesses or entrepreneurs to enter the market.			
Attracting Government Jobs	√			√
Grand Forks County	Support relationships that provide opportunities for the private sector with government employment or contracts.			



Tourism

GOALS:

Further diversify the regional economic base.	Improve infrastructure throughout the Region	Improve the marketing of the regional amenities.	Stabilize the Region's population of young families with children.	Mitigate impacts of natural disasters
---	--	--	--	---------------------------------------

Strategy and selected by:

	Objective				
Pass-Through Visitor Services	√		√		
Pembina, Nelson and Walsh Counties	Use online marketing applications, QR codes, etc. to promote tourism amenities. Include local services such as location of lodging, gas, food, etc. Implement signage and media/marketing campaign. Develop a plan to encourage visibility of the community.				
Cultural/Local/Regional Tourism	√		√		
Grand Forks, Pembina, Nelson and Walsh Counties	Support the improvement of online marketing of county-wide resources. Compile a list of current tourism attractions. Research local rivers to compile a list of recreational opportunities. Develop a marketing plan that targets visitors who will plan longer stays while touring. Develop a coordinated marketing strategy that promotes all communities, tourist and tourism related businesses. Research funding sources available for tourism development and a regional marketing person that serves the entire county. Develop a county-wide Chamber of Commerce.				



Community Development

GOALS:

Further diversify the regional economic base.	Improve infrastructure throughout the Region	Improve the marketing of the regional amenities.	Stabilize the Region's population of young families with children.	Mitigate impacts of natural disasters
---	--	--	--	---------------------------------------

Strategy and selected by:

Objective

Education Development				√	
Grand Forks, Pembina and Walsh Counties	Strengthen communication between schools, state, county and city officials. Coordinate economic and community development strategies with all educational interests in the county. Work with all education units to determine interest and strategy.				
Environmental Restoration	√	√	√	√	
Grand Forks, Pembina, Nelson and Walsh Counties	Survey the county for available brown sites, and expense of clean up required. Identify resources to use for rehabilitation of sites. Market available sites identified with potential business opportunity and funding for restoration. Develop slum/blight programs.				
Healthcare Expansion	√	√		√	
Grand Forks, Pembina, Nelson and Walsh Counties	Inventory the current status and comparative strengths of local healthcare services. Assess the potential for increasing or expanding healthcare services. Improve communication between healthcare providers. Determine the communities health needs.				
Bedroom Community	√		√	√	
Grand Forks, Nelson and Walsh Counties	Promote the housing and living attributes of the communities to nearby urban centers. Inventory community attributes that are attractive for housing and living.				
Attracting Lone Eagles		√	√	√	
Grand Forks, Nelson and Pembina Counties	Inventory community attributes desirable to lone eagles. Determine telecommunications abilities in the region.				
Attracting Retirees			√		
Pembina, Nelson and Walsh Counties	Inventory community attributes that would be attractive to retirees. Promote the community attributes that are defined through targeted marketing. Develop a plan to attract retirees.				



Infrastructure Development

GOALS:	Further diversify the regional economic base.	Improve infrastructure throughout the Region	Improve the marketing of the regional amenities.	Stabilize the Region's population of young families with children.	Mitigate impacts of natural disasters
Strategy and selected by:	Objective				
Infrastructure Development	√	√	√	√	
Grand Forks, Pembina, Nelson and Walsh Counties	Coordinate with the cities to identify immediate infrastructure needs Improve the marketing of existing capacity that showcases the strengths of the area. Address telecommunication gaps in rural areas. Complete a capital improvement plan.				
Attracting Funding	√	√	√	√	
Grand Forks, Pembina, Nelson and Walsh Counties	Host networking events for key stakeholders and elected officials to identify priorities Reach out to community leaders to identify needs, gain an understanding of what they will support. Provide financial packaging to existing and new businesses as well as public entities. Provide public information on available funding sources and update as resources become available. Collaborate with local/state and federal Legislators and leaders. Identify public transportation needs. Invite USDA to visit with the community.				
Housing	√	√	√	√	
Grand Forks, Pembina, Nelson and Walsh Counties	Compile information on available funding programs for housing incentives. Inventory sub-standard and unoccupied housing and vacant lots for rehab or demolition. Assess the need for assisted living. Increase the availability of affordable housing. Develop a plan to attract young families				
Downtown Development	√		√		
Grand Forks, Pembina, Nelson and Walsh Counties	Support a county-wide downtown development program. Determine current business needs Make the downtowns attractive and vibrant				



Quality of Life Initiatives

GOALS:	Further diversify the regional economic base.	Improve infrastructure throughout the Region	Improve the marketing of the regional amenities.	Stabilize the Region's population of young families with children.	Mitigate impacts of natural disasters
Top Quality of Life issues selected in Region IV.	Objective				
Housing		√		√	
Improve housing options available for citizens. Rehab and/or demolish the existing sub-standard housing. Increase the amount of affordable apartments and family dwellings.					
Childcare	√			√	
Increase the amount of childcare centers in the region. Identify potential buildings that could be used for daycare centers. Increase childcare availability to shift workers.					
Transportation	√		√	√	
Increase public/private transportation options. Increase awareness/access for senior transportation.					
Education	√		√	√	
Increase adult and career education courses. Expand summer educational experiences for youth. Set up a scholarship fund for low-income youth to attend summer and enhanced education programs. Provide quality extended school programs.					



Appendix E

Economic Development Strategy Abbreviated Definitions



Economic Development Strategy Abbreviated Definitions

Business Recruitment. Business Recruitment is a set of activities designed to encourage businesses outside the community to relocate within it. This work is directed at shifting or expanding existing jobs from one location to another.

Business Retention & Expansion. Business Retention and Expansion focuses on encouraging existing local businesses to remain in the community and/or expanding their operations and workforce.

Business Cultivation. Business Cultivation combines import substitution opportunities and work by industrial cluster teams. This is a more in-depth approach to business retention and expansion.

Entrepreneurial Development. Entrepreneurial Development is a set of activities designed to encourage and support aspiring and existing entrepreneurs to establish and/or further develop their businesses.

Energy Development. Energy Development is rapidly expanding in an industrial sector that increasingly focuses on renewable resources. Communities located close to such resources may be able to capitalize on them as well as traditional resources to create higher-paying jobs.

Environmental Restoration. Environmental Restoration presents the opportunity to create jobs by reclaiming land (Brownfield's initiatives, e.g.) for industrial and business parks, improving forest health, increasing potable water supplies, etc.

Logistics Centers. Logistics Centers are needed by mid-size to large companies as a cost-effective means for transporting goods from manufacturing sites to retail outlets. Communities with suitable transportation infrastructure and location advantages may capitalize on this strategy to create a large number of jobs.

Leading-edge Development. Leading-edge Development is a strategy that harnesses the intellectual and creative capacity of a community to research and develop ideas into products, especially in new technologies, e.g., information processing, energy and bio-sciences.

Value-added Agriculture. Value-added Agriculture is the establishment or expansion of area businesses that add value to raw agricultural commodities before they are purchased locally or exported. Producing and selling sugar from sugar cane and organic fruit, nuts and vegetables are examples.

Value-added Forest Products. Value-added Forest Products presents a strategy that communities located close to forest lands may pursue. Producing lumber, furniture, pallets and other wood products, especially for export, are examples.

Value-added Fisheries. Value-added Fisheries business development is a strategy that fresh and salt water coastal communities may pursue. Sport fishing and the processing/canning and sale of fish are examples.



Value-added Mining. Value-added Mining presents business development opportunities for communities that have accessible rock and mineral resources that can be processed for sale and export. Production and sale of copper and other metals, as well as pottery from local clay deposits, are examples.

Destination Tourism. Destination Tourism is often the highest value tourism development strategy because it capitalizes on regionally or nationally recognized attractions near communities. Such attractions draw a large number of visitors, many of whom spend more dollars than the average tourist.

Cultural Tourism. Cultural Tourism relies on a community's capacity to provide visitors from out-of-state with high quality experiences related to the arts, including performing and visual, local history and seasonal events such as large agricultural fairs.

Local/Regional Tourism. Local/Regional Tourism is a strategy communities may pursue that do not have a destination attraction or significant cultural/historic assets in their immediate area but can provide events and other experiences that draw visitors from within the region.

Pass-through Visitor Services. Pass-through Visitor Services is a strategy that may be employed by communities to capture dollars spent by visitors for services they need and want on their way to other destinations.

Downtown Development. Downtown Development includes a wide range of activities a community can undertake to preserve, develop and promote its downtown/central business district in order to increase business investment and activity.

Education Development. Education Development presents communities the opportunity to retain, upgrade and create jobs, including higher paying jobs, by providing post-secondary education and training.

Health Care Expansion. Health Care Expansion is a strategy communities may pursue to increase quality of life and develop new businesses. The aging US population and increasing demand for more specialized services and products gives this strategy long-term viability.

Bedroom Community Development. Bedroom Community Development is a strategy that recognizes the likely absence of many of the key success factors needed to pursue other strategies but includes a focus on development of high-quality housing and provision of locally needed services.

Infrastructure Development. Infrastructure Development is a strategy that communities may use to invest in water, sewer, transportation and other infrastructure to encourage additional investment, create employment opportunities, increase capacity and stimulate future desired development.

Attracting Retirees. Attracting Retirees presents communities that have climate and other quality-of-life advantages the opportunity to attract retirees as permanent or part-time residents who will



spend all or a portion of their retirement income/savings locally.

Attracting Lone Eagles. Attracting Lone Eagles is a strategy that recognizes many professionals and small businesses can now locate almost anywhere they want because of increasing telecommunications capacity. The challenge is providing the amenities they expect.

Attracting Government Jobs. Attracting Government Jobs presents communities an opportunity to attract and help state and federal agencies relocate or establish new offices/facilities in their area.

Attracting Funding. Attracting Funding is a strategy communities may use to secure money for economic and community development projects.



Appendix F

Express Plan Week Session Descriptions



“Express” Plan Week Sessions

Session One: Key Success Factor Analysis

The Strategy Committee, possibly joined by subject matter experts, convenes and rates its community's comparative advantage on a multitude of factors key to successful implementation of 25 community and economic development strategies. The results of this analysis—a list of these community and economic development strategies prioritized by comparative potential for success—will give the steering committee a rank-based strategic framework from which specific strategic initiatives will be derived and developed as Plan Week and the broader strategic planning process progress.

Session Two: Quality-of-Life Initiatives Session*

In this session, the Strategy Committee is introduced to a growing body of categorized projects and initiatives whose objectives include enhancing the overall quality of life in the community and ensuring such enhancements are sustainable well beyond the life of the strategic plan. As in the previous session with *EASs*, in this session the Strategy Committee considers, chooses, refines and customizes *Quality-of-Life Initiatives*, including setting a timetable for completion and outlining resources and performance measures to gauge progress and success.

Session Three: Community Organizer Assessment

The Strategy Committee meets to determine the community's present capacity for implementing strategies and initiatives. The results of the *Community Organizer Assessment* are included in the strategic plan and provide recommendations for increasing the community's capacity to advance economic development activities and projects.

Session Four: Voice of the Community Meeting

The entire community is invited to a town meeting where citizens are asked to provide feedback on issues vital to the development of the community's strategic plan. Specifically, community members are asked to express both their level of interest in the same 25 community and economic development strategies which the Steering Committee rated in Session One, and the level of confidence they have in the community's ability to successfully implement each strategy, were it to be pursued. Citizens are then asked to openly offer their ideas and suggestions about specific initiatives and projects they feel could benefit the community and improve its quality of life and livability. The results of this meeting are presented to the Strategy Committee later in Plan Week to help them determine what to include in the strategic plan.

Session Five: Strategy Selection Session

The Strategy Committee meets, evaluates, and discusses a detailed and comprehensive compilation of the results of the prior three Plan Week sessions, ultimately selecting the specific strategies that will be included in the strategic plan.

Session Six: Assigning Essential Action Steps

With a number of the 25 community and economic development strategies and Quality-of-life Initiatives now selected, the Strategy Committee moves into a pre-implementation mode. In this session, first steps are taken in the development of action steps specific to each of the selected strategies and initiatives. While completing the *Essential Action Steps (EAS)* process will not usually be accomplished during Plan Week, within a few weeks the *EAS* process yields a critical



component of the overall strategic plan—a blueprint of "who will do what by when," which will serve to keep the community focused and "on schedule" as it transitions from plan building into plan implementation.

Session Seven: Elevator Speech Session

In this final Plan Week session, the Strategy Committee engages in a discussion designed to encapsulate the community's identity, the essence of its values, the uniqueness of its people and its motivations for planning. The result—the Elevator Speech—is integrated into the strategic plan as its introductory statement, and will serve both to identify and describe the community's envisioned future, and to empower community leaders and citizens as they pursue funding for projects, leverage grants, and otherwise seek support for the strategic plan during the entire implementation process.

