

Comprehensive Economic Development Strategy

2018-2022

Region 5

North Dakota

Lake Agassiz Regional Council
417 Main Avenue
Fargo, ND 58103

Executive Summary

Periodic assessments of the region and the progress made to improve conditions are necessary to uncover unaddressed needs, to find opportunities for improvement, and to identify potential efficiencies in program implementation and service provision. The Comprehensive Economic Development Strategy (CEDS) allows us to examine current and projected conditions in order to find appropriate courses of action aimed at remedying deficiencies by building upon existing strengths. With the oversight of a representative committee and input from a wide range of stakeholders, this update of the CEDS for the years 2018 through 2022 was created to provide a working blueprint not only for Lake Agassiz Regional Council, but also for the network of organizations, units of government, and private entities that play a part in furthering community and economic development.

The prominent headwinds facing the region are the severe slump in agricultural commodity prices and a shortage of skilled labor. Population decline, lack of housing, and constrained public budgets are some of the other issues that stakeholders identified. However, there has been steps taken towards rectifying those problems that have improved the region's competitiveness vis-à-vis other regions. Gains have been made towards a more diverse economy through the emergence of businesses in unmanned aerial systems, software development, agriculture and food processing, and so on. Continuing this progress over the next five years will require the allocation of very scarce resources into select initiatives with high potential for greatest return on investment. We will seek funding from the Economic Development Administration if grant eligibility criteria are met. The broad goals that emerged out the CEDS planning process deal with the reversing of population decline in rural areas, diversifying the economy, and investing in the targeted repair and expansion of infrastructure. Proposed action steps are listed that can be reasonably pursued over the time period of this CEDS.



Table of Contents

Executive Summary.....	1
Introduction.....	3
What is a CEDS?.....	3
Mission Statement.....	4
What is LARC?.....	5
Economic Conditions.....	7
Economic Vitality.....	8
Innovation.....	10
Key Industries and Clusters.....	12
Prominent Issues.....	14
Infrastructure Investments.....	14
Workforce.....	21
Innovation, Entrepreneurship, and Competitiveness.....	21
Targeted Clusters.....	24
Demographic Conditions.....	25
SWOT Analysis.....	28
Goals and Action Steps.....	30
Evaluation Framework.....	39
Resilience.....	42
Appendix A – Distressed Communities Index, by zip code.....	45
Appendix B – Cluster Mapping results, by county.....	47
Appendix C – Largest Employers.....	54
Appendix D – Broadband Coverage Statistics.....	57
Appendix E – Summary of Public Comments & Responses.....	58
Resolution Adopting the 2018-2022 CEDS.....	60



Introduction

What is a Comprehensive Economic Development Strategy?

The Comprehensive Economic Development Strategy (CEDS) is a strategy-driven plan that formulates a common vision with corresponding action steps that shall improve the region's competitiveness and quality of life. It presents the existing assets – broadly defined - that can be utilized to rectify the most prominent barriers to economic development. Collaboration among public, private, and nonprofit entities is critical in implementing the projects and priorities identified herein.

One key deliverable of this plan is to maintain eligibility for funding from the Economic Development Administration (EDA) that would come into play in cases of significant job loss or a natural disaster. Additionally, the Rural Development division of the US Department of Agriculture (USDA) has given scoring preference for grant applications that have a regional benefit or that are based out of a regional economic development plan. For other entities in the public, private, and nonprofit sectors the CEDS is meant to lay out an argument for action and to situate that action within a coherent and realistic framework.

The CEDS is not meant to duplicate or replace any existing plans. Instead, it shall build upon those by using the data collected and by synthesizing the common themes found across the plans. The CEDS proffers novel region-wide tactics that can address the most significant barriers to economic prosperity. The plan will be maintained through annual reevaluations and updates. This revamp of the CEDS was overseen by a strategy committee representing main stakeholder groups. The charge of the committee was to ensure the plan is realistic, reflects the preferences of who they represent, and is beneficial to the entire region. The roster of the strategy committee is as follows:



Name	Organization	Position
Neil Doty	N.C. Doty and Associates, LLC	President
Thomas Jefferson	State Farm Insurance Agency	Owner/Agent
Mike Bannach	Western State Bank	Market President
Randy Richards	La Rinascente Pasta	BOD Chairman
Paul Smith	ND Small Business Development Center	Regional Director
Jane Priebe	City of Wahpeton	Economic Development Director
Carey Fry	ND Job Service	Customer Service Manager (Fargo)
Karen Bergstrom	Steele County Jobs Development Authority	Director
Tony Richards	Impact Dakota	CEO
Mark Schaffer	Northcreek Dental	Owner
Ken Bertsch	Ag Coalition/ND Seed Commission	Commissioner

Mission Statement

This CEDS is guided by an aspirational vision, as encompassed in the following mission statement:

“To assure the long-term viability and resiliency of the region’s communities and to enhance the economic well-being of its residents.”

Unpacking this phrase highlights the core themes that permeate this CEDS. First, *long-term viability* refers to the pressures many rural communities have faced over the years, namely population decline and its side effects of shuttered schools and businesses. There are no “silver bullets” that would solely or completely inject vitality in communities facing stagnation. A wide variety of investments, perhaps small and experimental in nature, are needed to propel rural communities onto a positive, yet sustainable, trajectory.

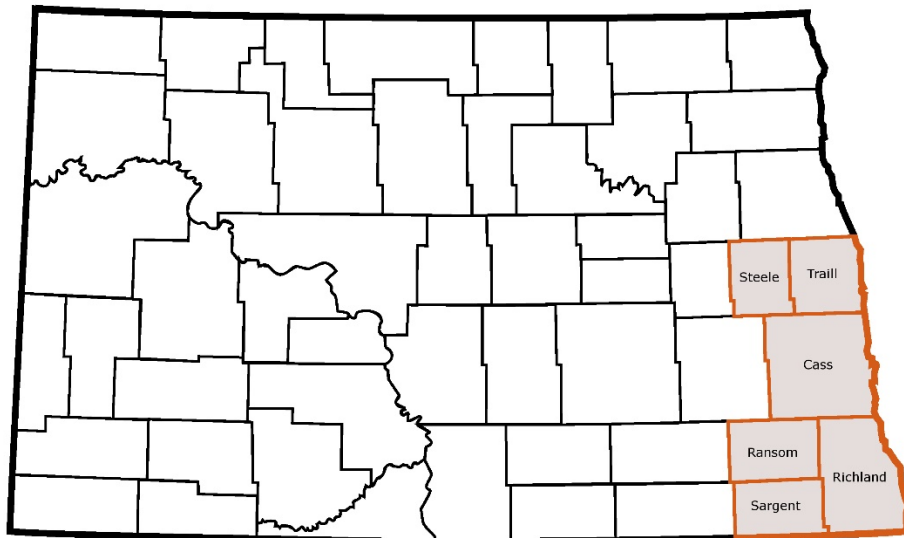
Resiliency refers to the capacity to not only hold out against adverse events, but to minimize the exposure to the risk in the first place. EDA calls the former “response-state” resilience and the latter “steady-state” resilience. Risks entail both natural and man-made events that affect the region’s population and economy. Given the reality that risks cannot be totally eliminated, the capacity of communities to recover stronger than before needs to be increased.



The *economic well-being* of residents means the presence of well-paying, stable jobs that permit families to have adequate financial security. A healthy job market allows for people to be gainfully employed, translating into reduced human and social service costs to the government over time. It also encompasses the ability for people to pursue their own entrepreneurial ambitions and, as a result, create opportunities for others.

What is Lake Agassiz Regional Council?

Since 1975, Lake Agassiz Regional Council (LARC) has been the designated economic development district for Cass, Ransom, Richland, Sargent, Steele, and Traill counties in southeast North Dakota.



In the early 1970s, regional planning councils in North Dakota were organized under joint powers agreements, as outlined in Section 54-40-08 of the North Dakota Century Code. In 1977, the North Dakota Legislature passed legislation that clarified functions and duties. Chapter 54-40.1 prescribes the powers and duties which are included within the general framework of coordinating the planning and development of all matters deemed to be of regional concern. Economic development is included among those activities if it is a regional concern.

LARC receives funding from EDA to provide planning, technical assistance, and grant management services to cities and organizations. LARC falls under the umbrella of the Lake



Agassiz Development Group (LADG) with its sister organizations Lake Agassiz Regional Development Corporation, Lake Agassiz Community Development Corporation, and Lake Agassiz Housing Corporation. Through this collaboration, a wide range of resources can be tapped to assist local governments and private businesses.



Economic Conditions

The Lake Agassiz region consists of Cass, Ransom, Richland, Sargent, Steele, and Traill counties in southeast North Dakota, comprising the southern part of the Red River Valley. Geographically, the region is located far from major population centers. The perceptions held by outsiders are often of a remote area beset by a cold climate. These images are exaggerated and neglect to acknowledge the environmental qualities found here ranging from the productive soils to the clean air to the innate beauty of the prairie.

The following table provides an overview of the demographic and economic status of the counties. Additional data on socio-economic conditions are found in the appendices.

	Population (2016)	Unemployment Rate (2016)	Real GDP, in millions \$ (2016)	Median Household Income,\$ (2015)
Cass	175,249	2.1%	13,310.0	53,289
Ransom	5,404	2.0%	267.37	56,500
Richland	16,353	2.2%	890.17	55,390
Sargent	3,890	1.3%	346.13	57,125
Steele	1,962	2.0%	109.86	55,833
Traill	8,030	3.1%	413.26	54,960

Source: National Association of Counties 2016 economic profiles, Woods and Poole Economics, Inc., US Census Bureau

It is clear from this table that Cass is the most notable in terms of gross domestic product and population. All of the counties are relatively close when it comes to median household income. An understanding of the current conditions of the region can be seen through the lenses of socio-economics, the availability of assets necessary for innovation and change, and the industrial clusters are found in the region.

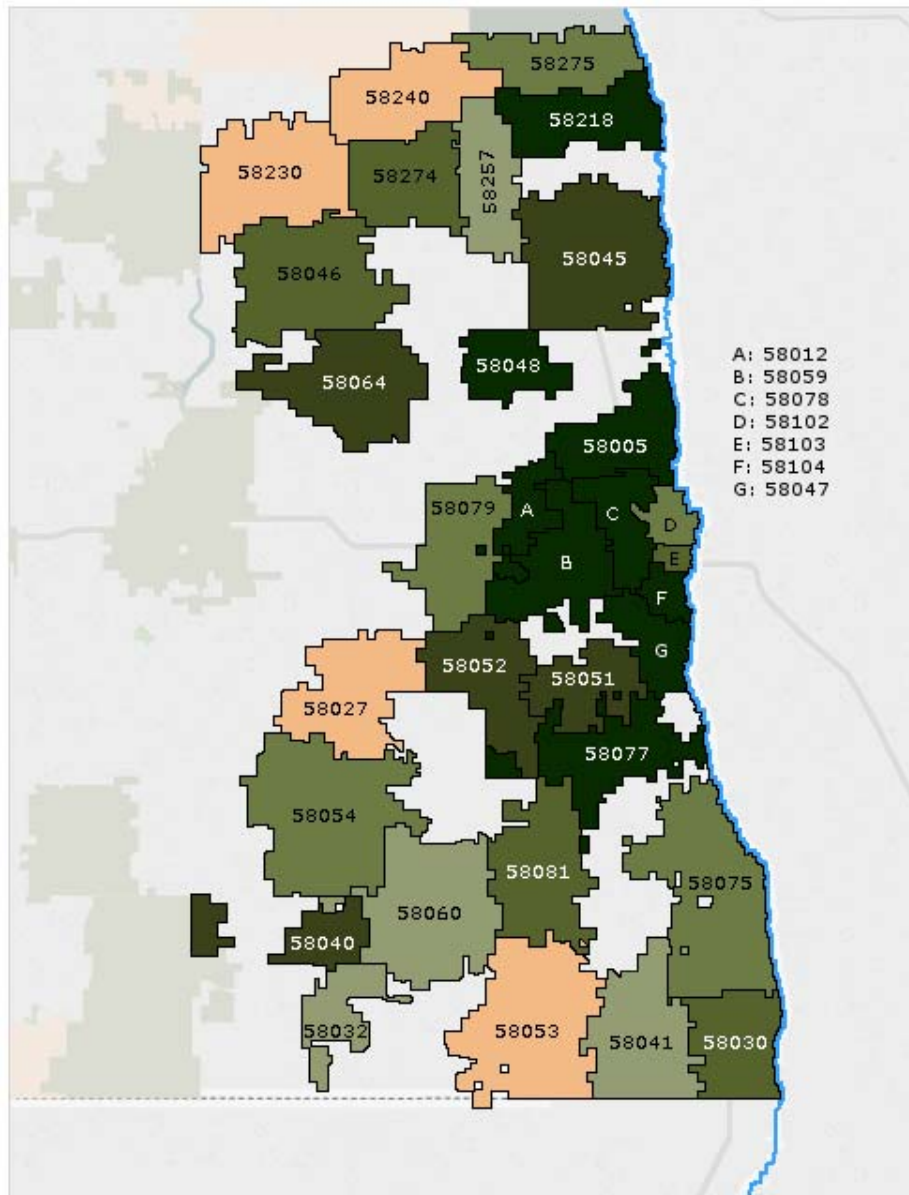


Economic Vitality

Compared to the other parts of the United States, the region is relatively well-off in terms of the level of socio-economic distress. The Economic Innovation Group, a public policy group based in Washington D.C., compiled the Distressed Communities Index to empirically measure conditions across the United States by zip code. The following seven metrics, derived from American Community Survey data, are used to form a composite score ranging from zero (least distressed) to 100 (most distressed):

No high school degree	Percent of the population 25 years or older without a high school degree or GED
Housing vacancy	Percent of habitable housing that is unoccupied, excluding properties that are for seasonal, recreational, or occasional use
Adults not working	Share of the population 16 years and older that is not currently employed
Poverty	Percent of population living under the poverty line
Median income relative to state	Ratio of the geography's median income to the state's median income
Change in employment	Percent change in the number of individuals employed between 2010 and 2013
Change in business establishments	Percent change in the number of business establishments between 2010 and 2013





There are no zip codes in the region that can be considered distressed according to the data and calculations compiled by EIG. In other parts of the country, wide swaths of geography are areas of chronic socio-economic malaise. The general pattern present in the Lake Agassiz region is high levels of economic health outside of Fargo's core and into its newer and more suburban portions as indicated by dark green. Proceeding outwards, the more rural the zip code the lower the score, as indicated by lighter shade of green and tan. A potential explanation for the disparity can include the impact of industry concentration and the effects that has upon the



response to economic fluctuations. Business formation and its consequent creation of employment are hampered by demographic changes, yet is also concurrently a contributor to the demographic trend. A table breaking down the data that went into the distress scores is found in Appendix A.

Innovation

A region's competitiveness is reliant upon the ability of its business to create new products and services in response to an ever shifting marketplace and for its supporting institutions to be attentive to changing needs. This constitutes an internally generated growth that is driven by entrepreneurship; in other words, the capability to recognize and seize new economic opportunities. It is difficult nowadays to compete region-by-region, and especially internationally, on the basis of cost minimization alone. Instead, it can be based on increasing productivity and new product development, and not just in the high-tech industries that receive the most public attention.

Quantitative measures of innovation capacity were created by the Kelley School of Business at Indiana University in partnership with the Economic Development Administration. Their *Innovation Index 2.0* consists of five index categories constructed from publicly available data. Scores values can range on a continuous scale from 0 to 200, with 100 signifying the middle of the normal distribution of values.

The full results, by county, are available on request. Below are the topline category scores by county:



	Cass	Ransom	Richland	Sargent	Steele	Trall
Headline Index	125.1	86.4	88.4	81.7	84.3	92.9
Human Capital & Knowledge	152.7	91.1	115.7	86.3	97.6	114.2
Business Dynamics	99.3	58.4	49.4	58.0	37.3	61.1
Business Profile	96.7	63.1	56.6	69.0	59.8	64.7
Employment & Productivity	134.6	102.5	95.8	89.1	89.1	100.7
Economic Well-Being	149.4	131.5	153.5	122.8	122.8	146.9

Source: Innovation Index 2.0, Kelley School of Business at Indiana University

In general, Cass County ranks better overall than the rest of the counties. Nonetheless, there are two areas of concern: first, “business dynamics” – which aims to capture the entry and exit of firms bringing in new ideas to replace old ones – and second, “business profile” – which to encapsulates the so-called creative destruction that is the hallmark of healthy capitalism.

For “business dynamics”, it appears that there is a relatively low business establishment formation rate and, concurrently, a low number of jobs created through new businesses. The small amount of venture capital investments also brought down scores. For “business profile”, the notable finding is in the proprietorship rate, or the extent to which the county’s population is self-employed. Business ownership is a prerequisite, but not a perfect analogue, to entrepreneurship. In these two major categories, Cass County is doing better in terms of investment capital and successful proprietorship and entrepreneurship compared to the other counties, but room for improvement exists. The impact of the anemic formation rate may not be fully felt until years or even decades from now. The large established firms that are taken for granted and that have brought wealth and employment to the region once started out small.

Dynamism in the economy through a robust churn of business births over deaths and expansions over contractions is associated with expanding local economies. It is through this process that the competitive pressures of capitalism ensure that new ideas, processes, and products can enter and have a chance to succeed in the marketplace. The trend nationwide has been one of declining dynamism as it has become more difficult for small entities to successfully



enter the marketplace and compete with incumbent firms. These macro-level issues affecting can only be addressed at a more national level. However, in our region we can focus on the roadblocks that hinder the ability of entrepreneurs to open a business, sell goods or services, and keep established firms on their toes.

Nevertheless, all of the counties score well in the outcome index of “economic well-being” through its measures of low unemployment, low poverty, and per capita income growth. Attention should be paid to the aforementioned weaknesses to ensure these positive outcomes continue into the future.

Key Industries and Clusters

Data from the U.S. Cluster Mapping Project, hosted by the Harvard Business School Institute for Strategy and Competitiveness, allowed the strategy committee to analyze potential diversification efforts beginning from the existing healthy clusters. Clusters are defined as a group of related firms that are located near one another and which draw a competitive advantage not only from the place-bound resources and inputs but also from proximity to similar firms. The firms’ advantages are found within access to a proximal supply chain, a common labor pool, and any supporting organizations or institutions (higher education being the notable example) that help clusters flourish.

By using employment data and location quotients, the cluster mapping allows us to understand how the region compares to others. Visual representations of the findings from the Harvard project are in Appendix B. Emphasis is given to the traded clusters which are those that make and sell services or products to customers outside of the region, thus bringing wealth into the area. This contrasts to the local clusters that mainly serve the local population and typically recirculate money around the region.

Cass County, containing Fargo and West Fargo, possesses the most diverse economic base in the region with very strong clusters in IT, insurance, and trailers and appliances. The technology sector, in particular, is showing promise with the number of startups in software as a service (SaaS) and unmanned aerial vehicles (UAVs). Microsoft has its third largest corporate campus in Fargo and in the past few years created approximately 200 new sales and marketing positions.



Ransom County's strengths are in food processing and motor vehicle electrical equipment manufacturing. For the former, Archer Daniels Midland's facility in Enderlin processes sunflower and canola. In 2015, the facility added the capability to process soybeans.

Richland County also has a strong presence in food processing, albeit in this instance a bit more diverse. Flour milling, confectionary manufacturing, and roasted nuts manufacturing highlight this cluster. The most prominent firms in this category are Minn-Dak Farmers Cooperative, Cargill, and Giants Snacks. The vulcanized materials cluster is headlined by WCCO Belting, a company specializing in custom rubber belting for machines in agriculture, construction, and recycling industries.

The Doosan Bobcat plant in Gwinner dominates Sargent County's economic base by employing around 1,460 out of a county population of 3,876. Many of those employees travel to the plant from outside the county. It was announced in 2016 that the company was moving 140 jobs from the Gwinner plant to its operations in Bismarck. This was done in order to shift production at the Gwinner plant to its compact tracked loader line, which requires more floor space to assemble.

Steele County has few strong clusters, but this may be a statistical artifact resulting from its population of fewer than 2,000. Small population numbers tend to skew the calculation of location quotients and make them less reliable. Employment resulting from wind power generation has provided some uplift, including additional tax revenues for the county that have been used to promote housing construction.

Similar to other counties, Traill County's cluster strength rests in food processing, namely resulting from the American Crystal Sugar plant in Hillsboro. This plant employs 225 people year-round and an additional 55 during the harvest season. Mayville State University is one anchor institution which has brought numerous benefits to the city of Mayville. However, with the state's budget situation, higher education experienced a significant cut in public appropriations.

Throughout the region, agriculture is an immensely vital segment of the economy. When commodity prices are favorable, farmers can invest in their operations, purchase equipment and expand their land holdings. When prices are low, as they are for most crops, farmers must retrench in order to get through the tough times. The ripple effects of these actions are felt by Main Street businesses. In the past few years, yields for most crops have recently been good, if



not record-breaking. However, market forces and government policy outside of local control impact the prices these commodities command. In the state of North Dakota, net farm income has decreased 91% from the 2013 high of \$1.78 billion to only \$169M in 2015. Data from USDA wasn't available for 2016, but net farm income undoubtedly decreased further compared to 2015. To deal with these swings, the agricultural sector continues to seek new outlets for crops through value-added processing and the opening up new markets through exports.

Prominent Issues

The existing plans and source material which provided the background for this CEDS, along with the many conversations with stakeholders, has elicited the there are four key issues facing the region:

1. Infrastructure Investments

Finding money to keep infrastructure in a state of good repair is a constant concern of local leaders. This is an especially acute need in rural areas for several reasons: first, they have a smaller tax base from which to draw upon; second, the higher costs to deliver services on a per capita basis; and third, the more complicated access to bond markets and other borrowing options increases costs compared to urban areas. Increasingly, federal funding nowadays comes in the form of loans instead of outright grants. Making repairs or improvements has to be balanced with the ability of ratepayers to afford paying back the loans. For those communities seeking growth, financing expansion in capacity can have a significant element of risk if the growth doesn't materialize or if the new businesses being sought does not stay in the community long enough to pay off those costs. Obtaining grant funding reduces that risk, although it is not reasonable to assume grants are available or that they will pay for most of the total project cost. It also appears that only the larger communities have completed capital improvement plans that prioritize forthcoming infrastructure needs over a five to ten year span and lists the methods by which these will be paid for or financed. Smaller communities may not have the capacity or as great a need to complete a formal capital improvement planning process.



Water Control and Supply

Water supply for most municipalities and rural water systems come mainly from groundwater sources found in aquifers of glacial origin. The cities of Fargo and West Fargo rely on surface water from the Red and Sheyenne Rivers respectively. Under normal climatic conditions, it is anticipated there will be an adequate supply of water for future population growth and agricultural or industrial development. However, it is predicted that the region will reenter a dry cycle following the current wetter-than-normal period. New technologies such as horizontal drilling and aquifer recharge/recovery can help mitigate any variations in precipitation. Rationing policies may come into effect depending on the severity of the water scarcity.

Infrastructure investments that would maintain access to adequate water supply during times of drought are being pursued. It is only a matter of time until the valley experiences a prolonged severe drought similar to the one during the 1930s. Existing water supplies are nearly fully appropriated while state law limits the shifting of groundwater appropriations from irrigation to drinking water. The Red River Valley Water Supply Project, pursued by the Lake Agassiz Water Authority, would draw upon Lake Sakakawea in central North Dakota and transport water via pipeline to a spot north of the Baldhill Dam, from where it flows into the Sheyenne River and eventually into the Red River. This would help promote economic development by building a reserve water capacity for those customers who use a high amount of water for their operations (e.g. ethanol plants, agricultural processing, etc.).

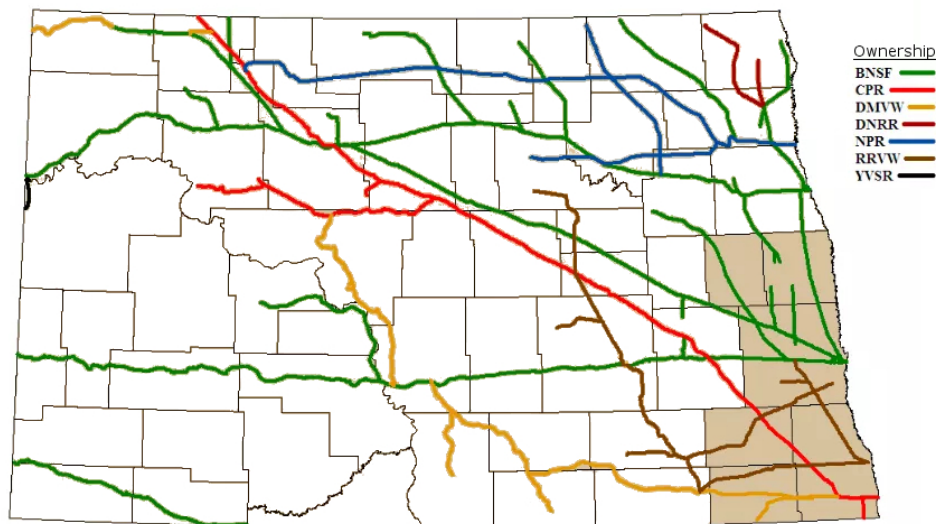
Flood control is a top priority for many communities. Lisbon and Fort Ransom have recently installed permanent flood control through the construction of levees. In Fargo, the levee system within city limits continues to be built out that often necessitating the buyout of riverside properties. Within the next few years, city leaders hope to begin in earnest construction on the Red River Diversion project. It is a \$2.2 billion endeavor to construct and operate a 20,000 cubic-foot-per-second, 36 mile long, 1,600 foot wide channel that will divert water around the Fargo-Moorhead metro area. It will also include 36,000 acres of upstream floodwater staging. Legal challenges from upstream jurisdictions claiming negative impacts will result are currently underway. The Minnesota Department of Natural Resources has decided to not issue a permit and has joined the lawsuit. It is unclear when the legal issues will be resolved or whether the project will proceed.



Transportation

The gap between lagging revenues and increasing construction costs has stymied the expansion of road or highway capacity in the eastern half of the state. Maintenance of existing networks often takes precedence. North Dakota ranks 49th in the share of road funding that comes from state and local tolls, user fees, and user taxes (including gas taxes). According to the Tax Foundation, 22.8% comes from those sources while the remainder is mostly federal.

As of writing, the state of North Dakota was in the process of updating the State Rail Plan that was crafted in 2007. After the oil boom began in earnest shortly thereafter, most of the oil was transported via rail and thus leads to increased costs for agricultural producers and processors. The installation of additional pipeline capacity has reduced the share of oil transported by rail. During 2008 to 2012, the share of oil transported by pipeline decreased from approximately 75% down to below half. For the next few years until 2016, pipelines accounted for 30-50% of oil exports. Currently, 60% of the oil is exported by pipeline and 30% by rail.



Source: North Dakota State Rail Plan 2007

North Dakota's Freight Plan recognized several pressing needs including first and last mile connections linking freight generators to railroads, targeted highway improvements to eliminate restrictions and bottlenecks, adding mainline railroad capacity, and upgrading some short line railroad branch lines to carry heavier cars. These improvements are needed to accommodate the realized and projected increases in tonnage. Installing additional rail spurs is a unique need to the city of West Fargo in that it would be open up land for industrial users. Parcels sufficiently

large for manufacturing are scarce in the city and those parcels that do not have a rail connecting reduces marketability. There are no intermodal facilities in the region; the nearest are in Minot, North Dakota and Minneapolis, Minnesota. If demand continues to increase, a transloading facility may become feasible in the Fargo area through an upgrade of Dilworth, Minnesota's existing rail infrastructure. Federal funding through the Department of Transportation's TIGER and INFRA (previously called FASTLANE) grant programs can be sought out.

Short-line railroads service the multiple small transload facilities and grain elevators that are in many rural communities, connecting them to the larger Class I network. The four short-line companies in the state identified only two projects that are being planned with federal funding in mind with both outside the region. Internal and state funds are to pay for identified repairs and improvements. Red River Valley and Western is seeking to construct a transload/multimodal facility in Wahpeton in 2017 or 2018.

The region's air service consists of the commercial airport in Fargo (Hector International) and 13 smaller general aviation airports. Air transportation is vital in rural areas for the transport of employees and equipment for business, patients and medical supplies, crop spraying, weather research and modification, and the recent rise of Unmanned Aerial Vehicle (UAV) systems research and applications. The Hillsboro Municipal Airport has become an attractive location for UAS researchers in that it is strategically located between Fargo and Grand Forks and is outside of the Class B airspace that surrounds those cities' airports. Companies from around the world have visited Hillsboro to conduct product testing in conjunction with academics from NDSU and UND.

Natural Gas

A reliable and affordable supply of natural gas is a necessity for agricultural processors and manufacturers to seriously consider locating or expanding in a community. Several options are available to bring this service to communities - including pipeline delivery, liquefied natural gas, and compressed natural gas – all of which have pros and cons. Funding can come from Bank of North Dakota infrastructure loans, municipal borrowing, cooperatives, private investors, and commercial and industrial partnerships. KLJ Engineering has estimated the cost in North Dakota

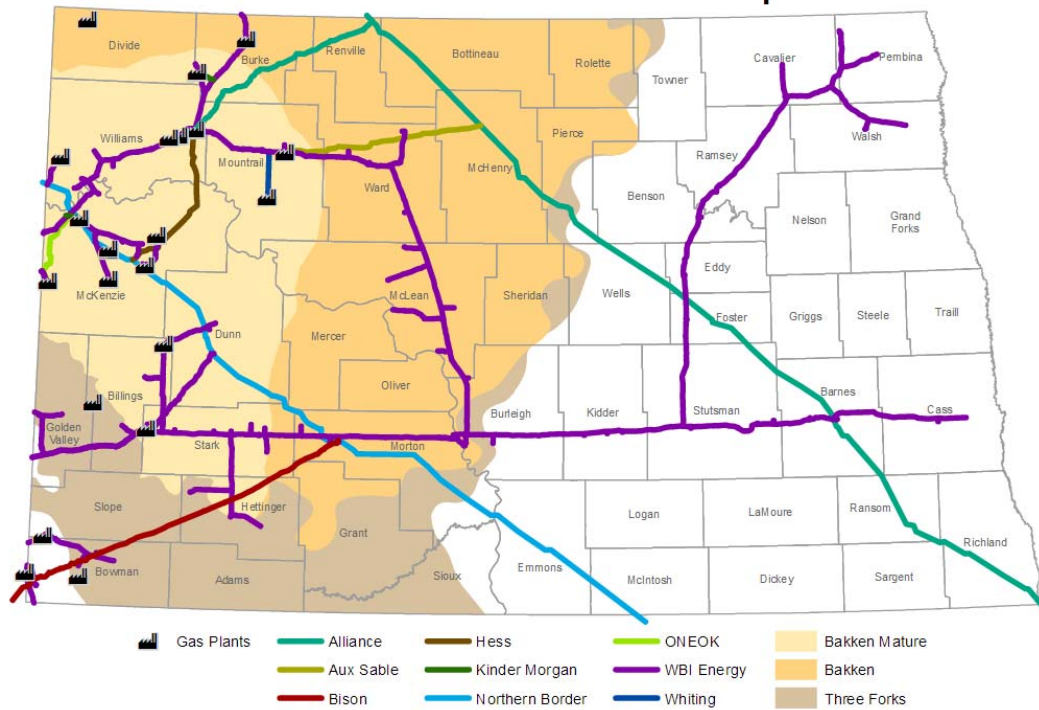


for a typical 20,000 feet section of pipeline with 2" diameter mains and ¾" diameter service lines up to 150 feet is approximately \$789,000. Depending on topological and environmental site conditions, it is not unreasonable for costs to reach \$1 million or more per mile. Also, if substantial network expansions require a reinforcement of existing facilities through the replacement of undersized main lines, increased pressure tolerances, and strengthened control systems, then there has to be firm commitments secured from large users to justify the expense.

Private industry is taking action on this front. One example is that of WBI Energy, Inc. who are extending the Viking Transmission from Mapleton to Wahpeton that will add capacity for an additional 40,000 equivalent dekatherms per day (dkt/d). For reference, the demand capacity for Minn-Dak Farmers Cooperative in Wahpeton is approximately 13,000 dkt/d. Another example is Xcel Energy exploring two expansion options; the first is an interstate pipeline running from the Fargo area north to Grand Forks. This would be a distribution backbone allowing laterals to serve 10 communities along the way, some with large potential customers. The second would be a bolt-on to the aforementioned pipeline extending it south and west to Gwinner and the Bobcat plant there, touching 13 towns along the way.

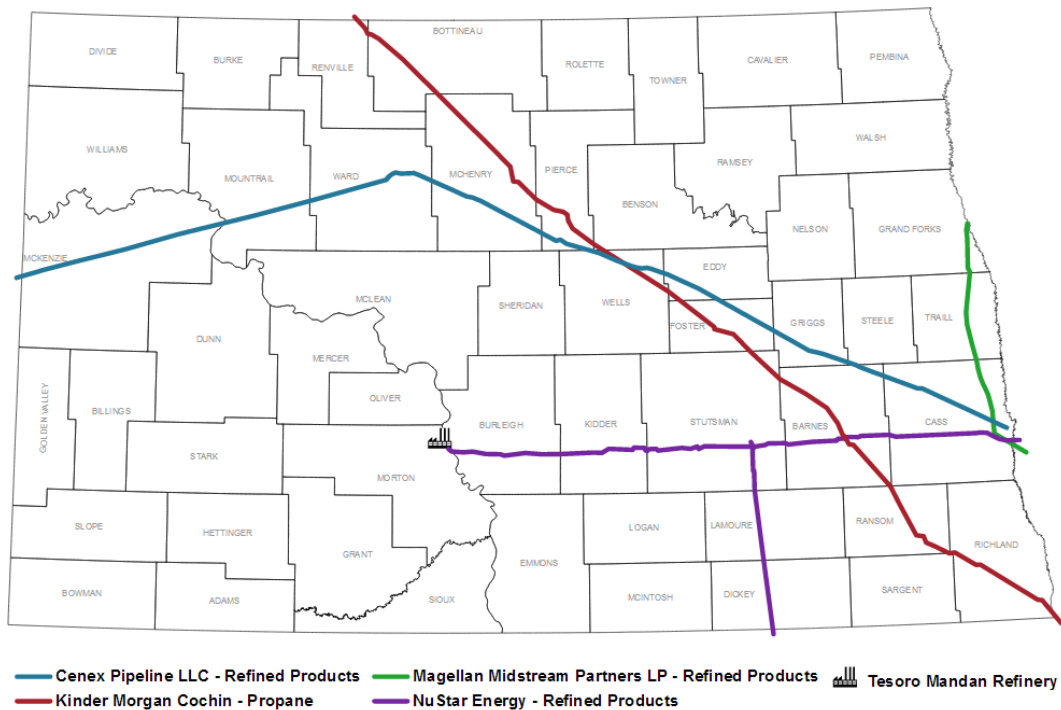


North Dakota Natural Gas Pipelines



Source: North Dakota Public Service Commission

North Dakota Products Pipelines

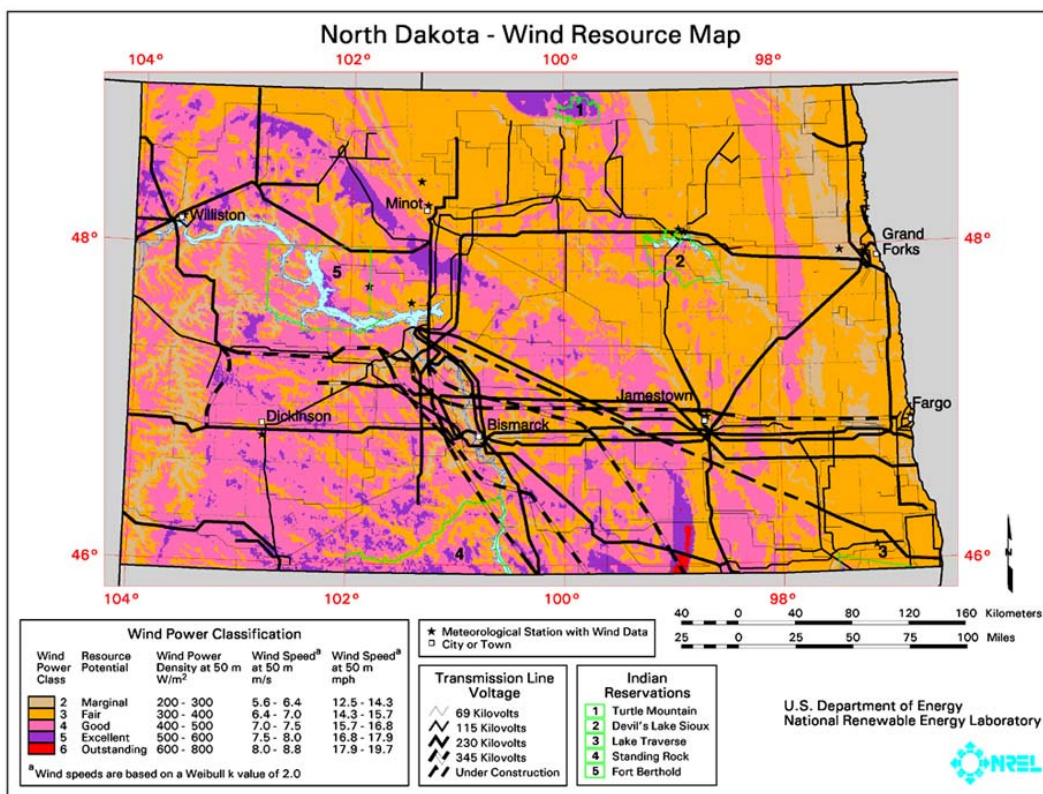


Source: North Dakota Public Service Commission



Wind Energy

Eastern North Dakota and the Lake Agassiz region in particular are well-positioned to scale up wind energy production, although there are challenges that will have to be addressed to do so, including ensuring sufficient transmission capacity and working through local opposition to site permitting. While the wind speed profile for the central and western portions of North Dakota are greater than eastern North Dakota, the region still has sufficient annual average speeds to justify wind energy production, as seen in this map created by the National Renewable Energy Laboratory:



Utility-scale, land-based wind turbines are typically installed between 80 and 100 meters high. New installations are now reaching up to 140 meters to obtain access to better wind patterns at higher elevations. Wind farms that are located in the six-county region include the Ashtabula Wind Energy Center and the Luverne Wind Farm, both of which are partly owned by Ottertail Power Company and are located in Steele County. The installation of wind farms in Richland,

Ransom, and Sargent counties are hindered by the protections afforded to several endangered species.

2. Workforce

Manufacturing and health care are two sectors facing a critical shortage of properly skilled labor that is now a limiting factor for some operations looking to expand. Promotion campaigns aimed at encourage those from outside the state to move are coupled with training existing residents for these high-demand jobs. A greater emphasis is being placed upon a skills development system that gives workers skills that can cut across occupations, thus allowing for greater flexibility as jobs, companies, and whole industries continue to evolve over time.

Workforce development in the state of North Dakota is carried out through a public-private partnership model whereby training is responsive to business needs and can be delivered directly to a company's employees. Community and tribal colleges are the lead actors in carrying out these programs. In the K-12 system, a greater emphasis on career exploration and planning at younger ages is exposing students to the possibility of a career in manufacturing. As the wave of Baby Boomers continues to retire in significant numbers, it is imperative to impart upon young people that modern manufacturing incorporates advanced technology and offers competitive salaries. Moreover, existing state programs to incentivize businesses creating internship positions and conducting outreach to educators have proven successful in building out the talent pipeline.

3. Innovation, Entrepreneurship, and Competitiveness

Startup businesses, especially those in high growth sectors, are a significant contributor to a region's dynamism. The formation and survival rate of startups is dependent on the vibrancy of the region's so-called "entrepreneurial ecosystem", defined as the conditions of a given locale and the resources there that cultivate the creation and expansion of value-creating entrepreneurial ventures. Six general domains mark the entrepreneurial ecosystem: a conducive culture, enabling policies and leadership, availability of appropriate finance options, quality



human capital, venture-friendly market for products, and a range of institutional and infrastructural supports. These elements are all addressed within this CEDS.

Strong assets in the Lake Agassiz region that contribute to a productive entrepreneurial ecosystem include the higher education institutions (in particular NDSU's research specializations in agriculture and engineering), the emerging network of entrepreneurial support organizations, and a history of successful precursor companies that have had and will continue to lead to spinoffs and attendant firm formations.

To further the startup scene, barriers need to be reduced that inhibit good ideas from coming to fruition. The most prominent constraint is the lack of early stage capital. With no equipment or facilities to lend against and intellectual property typically being the most valuable, yet intangible, asset they possess, equity investment is realistically the only option. The need for capital is great since expenditures are often upfront in the research and development phase. However, early stage seed and venture capital is sparse throughout the country except in the major cities on the east and west coasts. Middle America is too often ignored, as reflected in the relatively low dollar amount of these deals in North Dakota.

	2013		2014		2015		2016	
	Deals per 100k residents	Dollars per capita	Deals per 100k residents	Dollars per capita	Deals per 100k residents	Dollars per capita	Deals per 100k residents	Dollars per capita
ND	0.46	33.24	0.31	10.13	0.15	0.07	0.0	0.0
SD	0.12	14.08	0.12	3.52	0.25	8.21	0.0	0.0
MN	0.66	49.24	0.7	65.94	0.57	67.71	0.42	61.49
US Total	1.4	95.71	1.45	159.41	1.43	182.97	1.4	181.32

Source: PriceWaterhouseCoopers/National Venture Capital Association/SSTI

The Milken Institute compiles a State Technology and Science Index every two years that is meant to gauge and rank each state's capacity for innovation and subsequent commercialization that leads to company growth and high value-added job creation. Their research shows the variables consisting of the index score is attributable to 75% of economic growth across states. 107 indicators are grouped into the following five categories:



Index	Example Indicators
Research and Development Inputs	<ul style="list-style-type: none"> • R&D Funding (state, federal, industry) • SBIR awards • STTR awards
Risk Capital and Entrepreneurial Infrastructure	<ul style="list-style-type: none"> • VC investment • SBIC funds • Incubators/accelerators • Patents • Business formation rates • High-tech investment
Human Capital Investment	<ul style="list-style-type: none"> • Degree attainment (especially STEM) • State higher education spending • Internet access • Test scores
Technology and Science Workforce	<ul style="list-style-type: none"> • Computer and informational sciences employment • Engineering employment • Life and physical sciences employment
Technology Concentration and Dynamism	<ul style="list-style-type: none"> • High-tech employment • High-tech business births • High-performing tech companies • Growth in tech sector industries

The ranks for North Dakota and its nearest competitors of South Dakota and Minnesota are as follows:

Index		
Research and Development Inputs	ND - 2014: 33 rd 2016: 34 th (-1)	SD: 42 nd MN: 19 th
Risk Capital and Entrepreneurial Infrastructure	ND - 2014: 16 th 2016: 40 th (-24)	SD: 34 th MN: 16 th
Human Capital Investment	ND - 2014: 12 th 2016: 6 th (+6)	SD: 25 th MN: 5 th
Technology and Science Workforce	ND - 2014: 47 th 2016: 13 th (+34)	SD: 29 th MN: 4 th
Technology Concentration and Dynamism	ND - 2014: 33 rd 2016: 48 th (-15)	SD: 48 th MN: 15 th
<i>Topline Index</i>	ND - 2014: 29 th 2016: 29 th (0)	SD: 38 th MN: 7 th

The state's low ranking in the "risk capital and entrepreneurial infrastructure" category is attributable to the aforementioned dearth of early stage venture capital funding. This translates, in some part, to the business formation rate found in technology sectors. The



“science and technology workforce” index score reflects the number of engineering-related jobs that have been created as part of the oil boom in the western part of North Dakota. In the Lake Agassiz region, few jobs in that field were created. Instead, architectural, computer, electrical, and agricultural engineering positions are more prevalent. The high ranking for the “human capital investment” index is indicative of the population’s relatively high level of degree attainment and solid school system. “Technology concentration and dynamism” shows room for improvement in the number of technology firms and the number that they employ.

North Dakota is highly unlikely to ever compete toe-to-toe with the leading states in certain industries. Instead, efforts to strengthen and specialize must be based in those industries the state of North Dakota the region has an advantage in.

4. Targeted Clusters

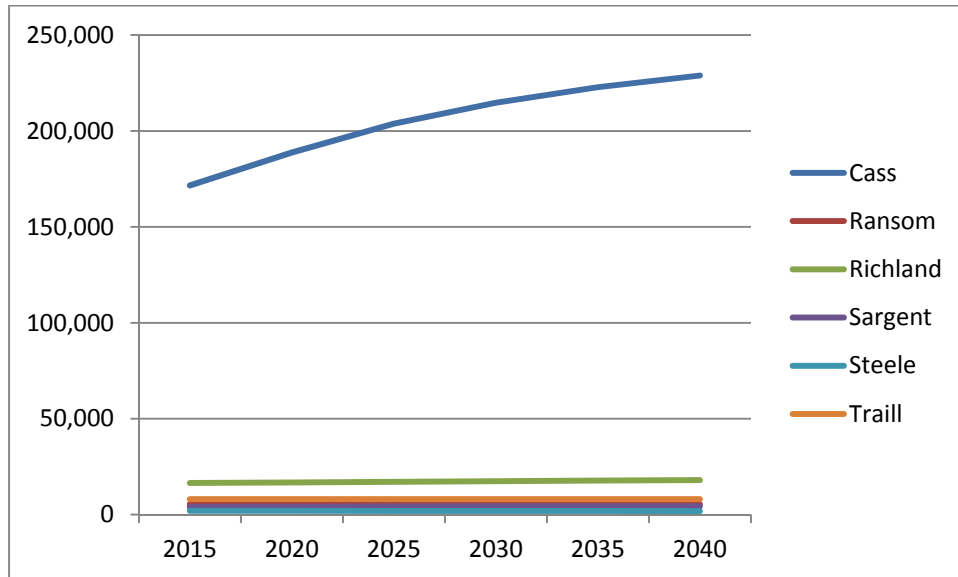
The North Dakota Economic Development Foundation identified in their 2010-2020 strategic plan five key industries: agriculture, natural resources, higher education and research, tourism, utilities, and wholesale trade. These sectors hold promise for future development and increasing numbers of high-wage employment. In their plan, the Greater Fargo-Moorhead Economic Development Corporation pinpointed four specific industries for further attention: bio-health services, IT software and communications, bio-energy, and precision agriculture. The area’s strong agricultural base and the research capabilities at NDSU are the assets that will propel growth in those clusters.

All in all, economic conditions have changed since those plans were crafted. Agricultural commodity prices have declined from record highs, thus straining the budgets of farmers and those who serve the farm economy. Oil prices have declined markedly leading to a severe budget shortfall for the state of North Dakota, as well as initiating economic ripple effects that have reached the eastern side of the state.

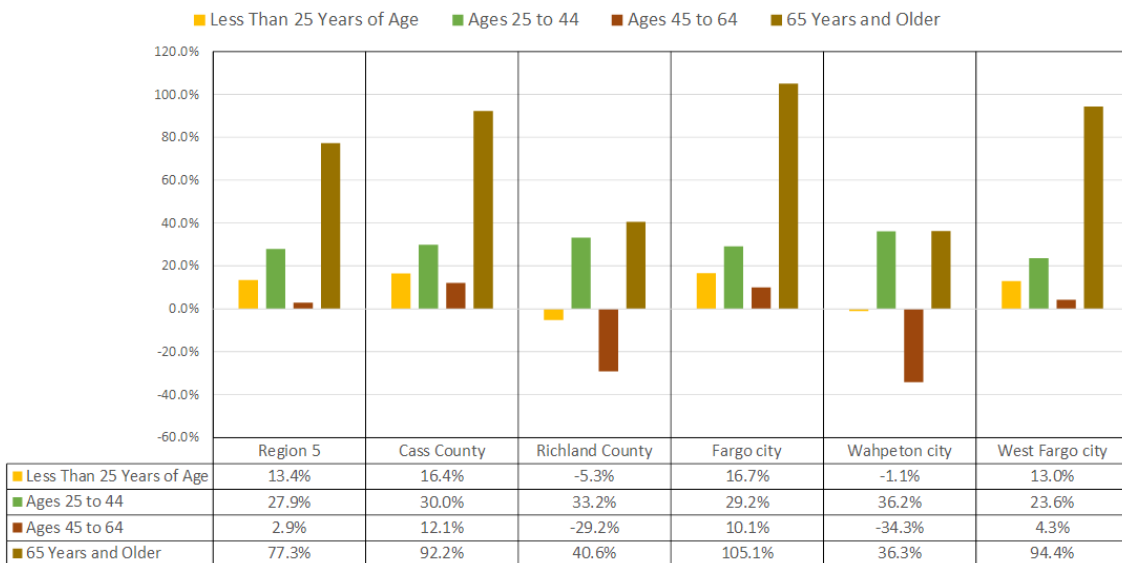


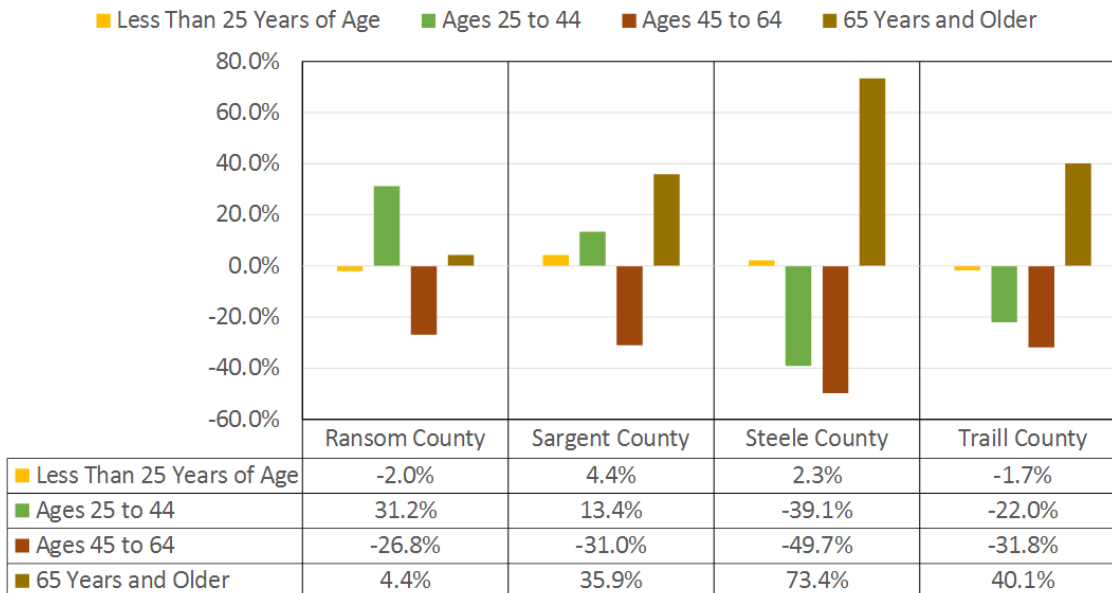
Demographic Conditions

Demographically, the region has seen fundamental changes over the past few decades. The most significant issue is the population changes in our region’s rural counties. All except Cass either maintained or had slight declines. Projections compiled by the North Dakota Census Office show a continuation of this trend over the next few decades.



Within the Statewide Housing Needs Assessment commissioned by the North Dakota Housing Finance Agency, population projects according to age were calculated from 2014 to 2029:





There will be a marked increase among those 65 and older age group, resulting from the aging of the Baby Boomer generation (those 53-71 years old in 2017). Cass, Ransom, Richland, and Sargent counties will see an increase in numbers of those between 24 and 44 years of age. The viability of rural communities is intimately tied to these demographic changes. Population decline presents challenges in terms of paying for infrastructure maintenance and service delivery. Due to the lack of economies of scale, rural communities are more reliant upon state or federal grants and loans in order to make infrastructure investments pencil out, lest taxes or fees become too much of a burden to households.

The struggle of companies to find enough skilled and trained employees to fill open positions remains an issue throughout the region, in spite of the slowdown in the agriculture and oil sectors. This is borne out in the state’s official U-3 unemployment rate of 3.3% (compared to 4.9% nationwide) and the more expansive U-6 unemployment rate of 6.2% (compared to 9.6% nationwide).

To help address this labor shortfall, the Department of Commerce has carried out an advertising campaign geared towards bringing in new people to North Dakota. Titled “The Good Life”, this campaign has marketed the state as a quality place to work, live, and raise a family. This campaign is necessary since the projected number of high school graduates are anticipated to fall short of the number of jobs that will become available.



Significant mismatches between the skills that workers possess and the skills that employers are demanding compound this problem. State agencies and industry groups are working in a collaborative manner to address this gap through the provision of education and training services. The North Dakota State College of Science (NDSCS) is fundraising for a new campus in Fargo to meet the demand for technical training and degree programs on the associate's level. The current facility is at full-capacity and ill-suited for enrollment growth. The college received an EDA grant in the mid-2000s and will pursue similar grant funding in the future.



SWOT Analysis

An analysis of the region's strengths, weaknesses, opportunities, and threats was conducted to help guide the process of identifying problems and the assets that can be tapped to address said problems.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Consensus among wide range of stakeholders and decision makers regarding top priorities • Competitive natural gas and electricity rates • Region leads the nation in production of several crops, including sugar beets, and is among the top in production of dry edible beans, barley, soybeans, and spring wheat • Broadband internet access that is above average for rural areas, including some fiber-to-the-home (see Appendix D) • Well-regarded public school districts • Higher educational institutions (research university in NDSU, baccalaureate university in Mayville State, 2-year college in NDSCS) • A significant portion of the largest employers are either anchor institutions, agricultural cooperatives of regionally grown crops, or are companies founded and headquartered in the region (see Appendix C) • The Bank of North Dakota's loan and equity products • No significant restrictions on developable land (e.g. federal ownership, brownfields, topography, etc.) • Lower cost-of-living relative to other areas • Growing technology sector in software and UAVs • Access to health care including clinics in rural communities • Suite of direct and guarantee loan programs from the Small Business 	<ul style="list-style-type: none"> • Inadequate pipeline of new leaders to replace the aging leadership circle (not a lot of the 30-45 year old professionals in the rural communities who constitute the bulk of the emerging leader pool) • Insufficient elderly-friendly housing as share of 65+ households increase • Speculative housing construction in rural often doesn't pencil out, leaving few high-quality housing options • Some industries, namely manufacturing and health care, are dealing with shortage of skilled employees • Lower than average amount of seed and venture capital compared to other states • Insufficient financial literacy and business acumen among prospective loan clients • The perception held by those from outside the state of the area's climate and quality of life • Few natural amenities that serve as draws for recreation or tourism • Remoteness of several communities means high distance to important business networks and markets. • Volunteer-run fire districts may not have the technical capabilities for some industrial users • Many properties are exposed to flooding risks



<p>Administration and its commercial and nonprofit partners.</p> <ul style="list-style-type: none"> • Training opportunities for aspiring entrepreneurs provided by Small Business Development Center, Women’s Business Center, SCORE, SBA, etc. 	
Opportunities	Threats
<ul style="list-style-type: none"> • Prospects of “brain gain” among 30-45 year olds with families who are seeking quality of life. • NDSCS working towards building new campus in Fargo • Intergenerational transfer of wealth means a great opportunity for growing philanthropic endowments • Establishment of community land trust model for affordable housing in North Dakota • Increasing value-added agricultural process, including a potential for a new dairy processing facility • Entrepreneurship training is being integrated into K-12 and higher educational curricula • Increasing the awareness of manufacturing as a viable career option to students earlier than previously done • Opening new avenues for exports of regionally-made products • Gov. Burgum’s “Main Street Initiative” that seeks to focus revitalization investments on core streets and downtowns 	<ul style="list-style-type: none"> • Continued slump in agricultural commodity prices • Uncertainty surrounding changes in international trade policies that affect agricultural exports • Declining federal and state funding for community and economic development, if not the full elimination of programs • Infrastructure approaching end of service life creates fiscal challenges for communities • Impact resulting from plant closures or downsizes in communities that are reliant upon one employer • Continued stagnation, if not decline, in population for some rural communities that erode the tax base over time • Pace of technological change and prospect of automation replacing human labor • Many business owners are approaching retirement age without determined successors or pathway to selling the business with the aim of keeping it open



Goals and Action Steps

The following section delineates the goals, sets of objectives, and the measures to bring these into effect. The goals can be categorized under three themes: community revitalization, economic diversification, and fiscally sustainable infrastructure. It is believed that by tackling these three areas, current social and economic challenges can be mitigated through the application of resources, tools, and expertise already at our disposal or which are reasonably attainable by organizations and governmental entities in the region.

Goal #1	Population decline is addressed by implementing new and strengthening existing programs within the next five years, all aimed at attracting and retaining businesses and residents.
Strategy 1.1	Promote the qualities of our communities as good places to live, to raise a family, to own a business, and so on.
Action 1.1.1	Work with NDSU Extension or other willing partner to bring “Marketing Hometown America” to communities

Created by University of Nebraska Extension, Marketing Hometown America is an educational program focused on recruiting and retaining new residents. Through a collaborative learning process, participants uncover what new residents are looking for as they compare communities, what local assets are overlooked, understand the importance of word of mouth referrals and the impact of a positive image through websites and social media, learn and practice the skills of positive community dialogue that increases involvement and confidence in ability to market the community, and finally to build and implement a marketing action plan that incorporates realistic and achievable strategies. The cost for communities is \$800 which includes a discussion guide and a facilitator training by Extension staff.

Other planning frameworks, which have been created by national organizations, that may be helpful for local communities include the Orton Family Foundation’s “Heart and Soul” method. Also, the state has grant funding in its Partners in Marketing program to help pay for external promotional efforts. A model to examine that encompasses a whole region is West Central Initiative’s “Live Wide Open” campaign that encourages families to move to that part of Minnesota.

Performance Measure	Number of cities participating in the Marketing Hometown America program or similar asset-based planning efforts
Timing	Throughout five-year period
Partners	NDSU Extension
Funding	USDA Rural Development, community foundations, cities

Action 1.1.2	Leverage the region’s well-developed broadband Internet access to attract telecommuters and internet-based businesses.
---------------------	--

The state’s rural telephone cooperatives have invested significant amounts in building out their networks to serve their customers with Internet that meets the newer federal definition of broadband speed (25 Mbps download, 3 Mbps upload). Most of the larger towns in the region are served primarily by investor-owned companies. To leverage this asset for economic development, communities should target those individuals whose jobs allow for telecommuting or which can be based solely online. With more flexibility on where to live, these workers can choose communities based on quality of life factors, namely the preference for a rural small town lifestyle.

Performance Measure	Number of cities engaged in resident attraction efforts that promote existing broadband capabilities
----------------------------	--



Timing	Throughout five-year period
Partners	Rural telecom cooperatives, cities, NDSU Extension, EPA
Funding	Cities, community foundations, USDA Rural Development

Action 1.1.3	Assist in the creation and expansion of child care facilities to meet the high demand for open spots.
---------------------	---

Insufficient openings in daycare centers are hindering the ability of communities to attract new families and to have both spouses enter the workforce. Across the state, there were 91,905 children ages 0 through 13 who had both parents in the workforce while there are only 33,267 licensed child care spots, meaning only 36% of potential demand is being met through licensed providers. In the region, Cass County has the higher percent of potential demand met at 56%; Steele County has the lowest at 20%. Due to the high cost of establishing and operating a daycare facility, the financing options available has to be tailored those needs. The Bank of North Dakota's Flex PACE program is an example of a valuable product that buys down the interest rate of a loan, thus improving cash flow for the business in the first few years. LADG staff will work with aspiring daycare owners to determine the best financial package that will allow them to open the critically needed service in our rural communities.

Performance Measure Number of new or expanding childcare businesses, and number of new open spots, assisted with financing.

Timing	Throughout five-year period
Partners	Bank of North Dakota, cities, ND Department of Commerce, banks/credit unions
Funding	BND, CDBG, USDA RD, private lending

Strategy 1.2	Address the need to attract and retain businesses in rural communities, particularly as those of the baby boomer generation continue to retire in large numbers, and build community-based wealth in the process.
Action 1.2.1	Establish a matchmaking service between business owners looking to retire and those looking to own a business.

The University of Kansas hosts the RedTire program which is a platform whereby business owners seeking to retire can be matched with aspiring business owners, principally graduates of Kansas's universities. Information about the business is submitted by the selling owner while prospective owners complete a questionnaire. RedTire staff values the companies according to commonly accepted methods and will then attempts to match prospective owners with companies that seem to be a good fit. Staff assists with the negotiation process as appropriate in the aim of finalizing a deal. It is expected that retiring owners will stay with the company for 6 months to a year in a consulting role to ensure the transfer goes smoothly. Establishing a similar program in the region can be a valuable tool in helping keep vital businesses (e.g. accounting firms, dentists, insurance agents, pharmacies, etc.) open in rural communities while bringing in residents. Depending on the potential demand, this program can extend into matchmaking for farmland. Several states have such "land link" efforts that connect retiring farmers with those seeking to get into the profession.

Performance Measure Procure grant funding to establish a RedTire-like service under the aegis of an existing organization.

Timing	Feasibility analysis completed by 2019
Partners	Small Business Development Center, higher education institution(s)
Funding	Rural Business Development Grant (USDA RD), foundations

Action 1.2.2	Refer retiring owners to technical assistance service providers if the company appears to be a good fit for a transition to an employee-owned model.
---------------------	--

Keeping businesses open in rural communities require that we consider all viable models when it comes to



the transfer of ownership. If a buyer cannot be found for a business, the option to sell to the employees through the worker cooperative or the employee stock ownership plan (ESOP) models should be explored. Common Enterprise Development Corporation, based out of Mandan, has the expertise to provide consulting and training regarding this type of transition.

Performance Measure	Number of businesses-in-transition referred to technical assistance providers.
Timing	Throughout five-year period
Partners	Common Enterprise Development Corporation, national cooperative organizations
Funding	Member equity, RBDG

Action 1.2.3	Promote and support Main Street businesses through outreach, technical assistance, financing options, and community-wide programs.
---------------------	--

Locally-owned businesses are the anchor of a community. Ensuring their prosperity will bring benefits to the community at large. Therefore, it is imperative to explore models utilized elsewhere to determine if they are useful to replicate in the region. To do so will require the participation of multiple stakeholders in conducting feasibility studies, which LADG can coordinate and facilitate. Proposed models can include, but are definitely not limited to, “buy local” campaigns that incorporate an online portal and business-to-business transactions (see Tulsa Chamber of Commerce’s Let’s Do Business Tulsa campaign), local investing networks such as the Local Investment Opportunity Network (LION) in Washington state or No Small Potatoes Investment Club in Maine, coworking spaces or spec buildings for industrial and commercial users, city-specific revolving loan funds capitalized via city monies and grants, and so on.

Performance Measure	Feasibility analyses conducted to determine viable community investing models
Timing	TBD
Partners	TBD
Funding	RBDB

Strategy 1.3	Train and prepare new leaders to ensure the leadership capacity of a community remains strong in the future.
Action 1.3.1	Encourage communities to utilize existing leadership training services and resources.

NDSU Extension provides leadership training through a suite of programs with varying time lengths, targeted audiences, and topics. The purpose of the Extension Service is to bring research-backed findings into communities and organizations where the findings can be applied. By having training sessions facilitated by Extension staff, existing community leaders can ensure that there are individuals who will eventually take over leadership roles in the future. Those communities with a strong core of elected and voluntary leadership are better equipped to deal with problems and to encourage necessary change.

Performance Measure	Number of governing boards that utilize leadership training opportunities.
Timing	Throughout five-year period
Partners	NDSU Extension
Funding	Cities, foundations

Goal #2	Diversify the region’s economic base building off of already strong clusters. In doing so, the region can increase its resiliency against declines in any one sector
Strategy 2.1	Continue carrying out the business acquisition and relocation model, whereby businesses for sale were identified and attracted to communities
Action 2.1.1	Respond to requests for information from site selectors and companies as they arise

If a community in the region is short listed by a site selector or by the firm directly, Lake Agassiz Regional



Council can assist the community in preparing its proposal if the non-disclosure agreement allows for third-party assistance. Before cities are to attract the eye of site selectors, it may be necessary to invest in infrastructure and services to commercial or industrial sites. LARC may be able to assist in compiling the financial package to do so, including brownfield cleanup if applicable.

Performance Measure	Number of requests for information responded to.
Timing	Throughout five-year period
Partners	Cities, ND Department of Commerce, Entrepreneur Centers of North Dakota
Funding	TBD

Action 2.1.2	Work with local and state partners to formally analyze the types of business well-suited to the business acquisition and relocation model
---------------------	---

There are different methods to determine which types of businesses should be targeted in the acquisition and relocation model. First, analyzing the supply chains of existing firms, especially manufacturing, can uncover opportunities to attract suppliers not present in the region. By showing those companies that a sufficiently large market for their products and services exist, it will only help market the region. Second, cataloguing open sites, the infrastructure that serves them and the raw materials available can filter out the sectors not suited to the location, thus allowing for a focusing of promotional efforts on those that are a good fit. Staff from the North Dakota Department of Commerce attends numerous trade shows and conferences throughout the year to gain the attention of site selectors and business executives. Communities and LARC should work with Commerce by providing information, helping them follow up on requests for proposals, and finding outlets to reach key decision makers and site selector consultants.

Performance Measure	Number of analyses conducted on behalf of local communities participating in relocation model.
Timing	Analysis completed by end of 2018; integration to outreach throughout 5-year period
Partners	ND Department of Commerce, Entrepreneur Centers of North Dakota
Funding	TBD

Strategy 2.2	Assist companies and commodity groups in furthering value-added agriculture
Action 2.2.1	Continue serving as a fiscal agent for companies seeking funding from the Agricultural Products Utilization Commission (APUC)

APUC grants assist companies with developing new and expanded uses of North Dakota's agricultural products in the following categories: basic and applied research, nature based agri-tourism, farm diversification, technical assistance, prototype and technology, and marketing and utilization. A fiscal agent is required for each grant recipient. Robust funding for APUC and similar agriculture research and commercialization programs will be encouraged.

Performance Measure	Number and dollar amount of APUC grants local companies receive.
Timing	Throughout five-year period
Partners	Agricultural Products Utilization Commission
Funding	APUC is appropriated funds by the North Dakota Legislature

Action 2.2.2	Continue working with Northern Ag Development Corporation
---------------------	---

Lake Agassiz provides accounting and administrative services for Northern Ag Development Corporation. The corporation was started by a consortium of agricultural entities from the upper Midwest and Canada to develop a business plan for a nitrogen fertilizer production facility that would also create attendant commercial products from the natural gas supply. Today, the consortium continues to develop new ways for producers in North Dakota and surrounding states and provinces to add value to their products.

Performance Measure	Continue contract with NADC
----------------------------	-----------------------------



Timing	Throughout five-year period
Partners	NADC
Funding	Per contract

Action 2.2.3	Participate in local food systems planning
---------------------	--

The increasing consumer demand for local or regionally grown food is an opportunity for rural economic development in that it can spur the creation of businesses from production to distribution to retail. It is also an opportunity for bringing in new households to communities since many of the farmers in the local food scene are new to the occupation. A local food systems plan has been created for the Fargo-Moorhead metropolitan area. Lake Agassiz Regional Council will seek to participate in any future planning efforts to ensure that regional interests are represented, as well as helping connect stakeholders to any grant or loan programs that may be available.

Performance Measure	Number of local food plans crafted in the region
Timing	Throughout five-year period
Partners	NDSU Extension, ND Department of Health
Funding	Foundations

Strategy 2.3	Provide gap financing options to new and expanding businesses
---------------------	---

Action 2.3.1	Continue LADG's suite of loan products and increase the volume of clients served
---------------------	--

New and emerging businesses face capital gaps for a variety of reasons including the inherent uncertainty, the difficulties of assessing creditworthiness, the heterogeneity of small firms, and the high cost of underwriting small business loans. To address these gaps, LADG operates several loan programs in partnership with and funding from EDA, USDA Rural Development, and SBA. Scaling-up the impact of these programs may require, among other actions, obtaining additional match grant dollars from financial institutions, foundations, and government entities.

Performance Measure	Number of clients served Amount of bank or credit union financing leveraged Amount of grant funding procured to grow loanable funds or loan-loss reserves
Timing	Throughout five-year period
Partners	EDA, USDA Rural Development, SBA
Funding	Cities, foundations, banks/credit unions

Action 2.3.2	Connect businesses with financing options outside of Lake Agassiz Development Group's suite of programs
---------------------	---

For those financing needs that cannot be fulfilled via LADG's programs, we will connect them to programs operated by other entities. This includes the North Dakota Department of Commerce (e.g. Development Fund) and the Bank of North Dakota (e.g. Partnership in Assisting Community Expansion) as well as USDA Rural Development's direct loan and guarantee programs. Also, we will also reach out to entities which have not had as much of a presence in the region, but have access to other financing sources. For example, organizations that are certified by the US Treasury Department can obtain New Markets Tax Credit allocations to attract private investment into distressed Census tracts. Program-related investments from charitable foundations can be loans to a business or nonprofit that will count towards the foundation's required payout, provided there is a social impact by being located in an economically distressed area and employing local residents. Tax increment financing (TIF) districts are a mechanism whereby bonds are issued to pay for infrastructure and property development and the increase in taxes resulting from said investment are devoted to paying that bond. The EB-5 immigrant investor program provides visas to those who invest at least \$500,000 in job creating endeavors. All in all, there are alternative financing options available that may



fit the needs of business if existing programs do not have the right criteria or are lacking funds.

Performance Measure	Number of businesses or organizations that are connected with financing options outside of the purview of LADG
Timing	Throughout five-year period
Partners	Department of Commerce, Bank of North Dakota, community development entities
Funding	Appropriated amounts for each program

Strategy 2.4	Assist those organizations providing supportive services (e.g. counseling, networking, etc.) to entrepreneurs and small business owners
Action 2.4.1	Further the scope and geographic reach of supportive services to meet the needs of those in rural communities

Within the metro area, there are more opportunities to tap into networks of fellow business owners, mentors, and other support systems simply due to population size and greater specialization. Nonetheless, there are organizations in place providing technical assistance that cover the whole region. For example, the Small Business Development Center (SBDC) has offices in both Fargo and Wahpeton where clients can receive help with a range of issues. Impact Dakota, the state's manufacturing extension partnership, assists companies in evaluating their operations to find efficiencies and areas for growth. SBA offers the SCORE program whereby retired executives offer their expertise to business owners. Also, in partnership with AARP they host Encoure Entrepreneur mentoring conferences to spur entrepreneurship among those age 50 and above. There are other models found in Fargo and elsewhere across the country (e.g. 1 Million Cups, pitch fests, etc.) that communities may wish to replicate, which Lake Agassiz can help get started.

Performance Measure	Number of prospective or current business owners served by organizations. Increase in the geographic reach of services outside of the Fargo metro area.
Timing	Throughout five-year period
Partners	SBDC, Impact Dakota, SBA, SCORE, Emerging Prairie
Funding	Foundations or RBDG for expansion of programs to greater geography

Action 2.4.2	Assist Greater Fargo/Moorhead Economic Development Corporation in establishing a one-stop electronic resource for aspiring entrepreneurs.
---------------------	---

The number and complexity of steps entrepreneurs must take before opening their business may be made easier through a web-based portal that provides a roadmap detailing the process and the organizations and business that can help them complete said steps. In essence, this will scan the entrepreneurial ecosystem and help make sense of the various resources. Kansas City has a successful web portal through KC Sourcelink. It can also aggregate the events happening in the community through one calendar. Communities outside of the metropolitan area can be represented on this website as well.

Performance Measure	Implementation of web-based portal
Timing	Timeline determined by GFMEDC
Partners	GFEDC, entrepreneurial support organizations
Funding	TBD

Action 2.4.2	Implement a business retention and expansion program that incorporates the "economic gardening" model
---------------------	---

Keeping track of the business community's needs as they continue to evolve requires a concerted effort of outreach, problem identification, and response. Adopting a formal business retention and expansion program would keep the vital lines of communication open and therefore would assist the economic developers in being responsive to potential issues that merit attention. Several consultancy firms can provide this service on behalf of cities or counties that wish to participate.



“Economic gardening” is the model of working with existing companies in the community to find ways for them to increase sales and grow their operations. The Edward Lowe Foundation is a national operating foundation that delivers assistance to local entrepreneur support organizations (e.g. SBDCs, chambers of commerce, universities, etc.) in setting up economic gardening programs. The local organization is required to recruit five second-state companies, those beyond the startup stage but not yet into maturity, and fund approximately \$5,000 per company to pay for the technical assistance. Foundation staff would help the company develop new markets, refine business models, and gain access to competitive intelligence and proprietary resources.

Performance Measure	Number of businesses served through retention and expansion outreach. Number of businesses assisted through economic gardening program
Timing	First round of businesses complete economic gardening program by 2020
Partners	Edward Lowe Foundation, entrepreneurial support organizations
Funding	Foundations, company contributions

Strategy 2.5	Improve the amenities and visibility of the region’s tourism assets
Action 2.5.1	Conduct an assessment of the tourism industry and potential action steps to improve public and private attractions and the supporting services that cater to visitors.

Red River Regional Council in northeast North Dakota have provided a suitable model for rural tourism development through an assessment of tourism assets and forming public-private partnerships to retain critical attractions. Rural tourism, by its very nature, is less likely to have one large entity that is a draw; instead, multiple smaller attractions need to be marketed as a package to prospective visitors. By working with these companies and partners in the North Dakota Tourism Division, we can coordinate promotional efforts and determine what resources, both technical assistance and financing, need to be brought to bear to further expand the number and quality of attractions. Furthermore, attention should be paid to the environmental quality of such amenities. Limited funding is available for cleanup purposes and for the installation of facilities.

Performance Measure	Obtain grant funding to lead a formal assessment and planning process to further the region’s tourism potential
Timing	Tourism assessment completed by end of 2018
Partners	NDSU Extension, ND Tourism
Funding	Community foundations, cities

Goal #3	Assist communities with funding infrastructure repairs and improvements. Infrastructure, in the CEDS, shall include potable water, waste water, sewer, roads, utilities, and similar systems traditionally conceived as infrastructure, but also housing, day care, senior services, emergency response, public transit, and so forth.
Strategy 3.1	Work with communities in procuring financing for needed infrastructure rehabilitation or expansions of service
Action 3.1.1	Leverage limited CDBG funding to reduce borrow costs to cities

Many communities take advantage of direct USDA Rural Development community facility loans and water infrastructure loans from the state revolving fund. Pairing those sources with grant funding reduces the amount needed to borrow and reduces tax or fee increases.

Performance Measure	Amount of federal, state, or local funds leveraged with CDBG
Timing	Through-out five-year period
Partners	Cities, USDA Rural Development



Funding

Dependent on federal appropriations for programs

Action 3.1.2	Enlist technical assistance providers to help cities analyze budgets, fiscal trends, and future liabilities
---------------------	---

Small cities face the challenge of providing adequate public services with a tax base that may not be as large as it once was or which doesn't have the scale necessary to make service provision less costly on a per capita basis. Therefore, turning to experts in public finance can lead to the finding of efficiencies and pathways to fiscal sustainability. There is no public or nonprofit organization providing such services in North Dakota at the moment. Figuring out the extent of demand for this type of assistance will determine whether it is feasible or not to roll out such a program.

Performance Measure	Consult with cities to determine desire for technical assistance
Timing	Feasibility of service determined by mid-2018
Partners	Cities
Funding	TBD

Action 3.1.3	Work with state partners and funders to address the insufficient natural gas capacity that is hindering the ability of communities to attract and retain industry
---------------------	---

Manufacturing requires a consistent, reliable source of cost-effective energy. Natural gas has advantages over other energy sources for this purpose. However, several communities lack connections to natural gas lines. There are efforts underway by the private sector on building out those connections. We will work with local communities, natural gas providers, and potential funders to help further this effort along.

Performance Measure	Number of cities and manufacturers assisted
Timing	Throughout five-year period
Partners	Natural gas utilities, manufacturers and other users, cities
Funding	TBD

Action 3.1.4	Assist cities looking at establishing or expanding industry-ready sites.
---------------------	--

Marketing communities as viable locations for business is greatly aided when there are "shovel-ready" parcels available. These sites typically have utilities installed, proximity to highways, and sometimes rail spur connections. The state of North Dakota currently does not have a site certification program whereby sites that meet certain criteria are branded as being ready for development. In other states, the designation is meant to increase certainty and reduce costs for prospective companies by showing that the community-owned land has had planning, zoning, surveys, title work, environmental studies, soil analysis, and public infrastructure engineering completed before being put up for sale. Nonetheless, LADG can connect communities to funding sources to carry out those activities.

Performance Measure	Number of cities establish or expanding industry-ready sites
Timing	Throughout five-year period
Partners	Cities, ND Department of Commerce, engineering firms
Funding	CDBG, EDA, BND

Strategy 3.2	Improve and expand housing stock to ensure sufficient quantity and quality of options for households of all types
Action 3.2.1	Financially support speculative home construction through LADG's existing loan products

Private developers have found success in several cities in constructing single-family homes on a speculative basis. However, there are few developers who are willing to take the risk, whether real or perceived, in building in rural areas. A belief that there is insufficient demand and the fact that there are few qualified contractors or builders can stymie home builders' interest. Several Job Development Authorities and cities



have explored constructing homes themselves in order to spur further development. LADG has access to USDA Rural Development lending programs that may fit home construction.

Performance Measure	Number of speculative homes built and sold
Timing	Throughout five-year period
Partners	Cities, job development authorities
Funding	USDA RD, BND, JDAs

Action 3.2.2	Assist existing organizations increase the reach and impact of housing rehabilitation, construction, and preservation programs.
---------------------	---

Across the state, multiple organizations specialize in financing or directly fixing up, weatherizing, or building housing, mainly for the benefit of low to moderate income households. Community Works, the state Housing Financing Agency, Rebuilding Together, and others engage in good work that can be supported. Additional models of housing development that merit exploration include public/private partnerships, employer assisted housing arrangements, a “governor’s house” program a la South Dakota’s, establishing a community land trust, a bank-funded loan fund for housing rehab similar to Fargo’s and Wahpeton’s, etc. To tackle the issue of housing in our rural areas, numerous methods will more than likely have to be employed.

Performance Measure	Number of homes built or repaired for low and moderate income households
Timing	Throughout five-year period
Partners	Community Works, Habitat for Humanity, NDHFA, Rebuilding Together
Funding	USDA RD, foundations, cities



Evaluation Framework

A useful evaluation framework will answer the questions “how are we doing?” and “what can we do better?” through two facets. First, an evaluation of the action steps’ efficacy in directly addressing the goals and objectives will help determine if the action steps need to be modified. This is best done for those actions that have clear quantifiable outcomes associated with them.

Second, a macro-level view of socioeconomic variables - the changes of which are not attributable to any specific organizational or governmental action - will help keep track of broad trends. From that intelligence, interventions can be adjusted as needed. The following indicators will assist in understanding the conditions of our region as it relates to the three overarching goals:

Goal #1 -- Population		
Metric	Present Value	Source
Share of population in prime working aged 25-54 (2015)	Cass: 40.73% Ransom: 34.6% Richland: 34.16% Sargent: 34.0% Steele: 33.09% Traill: 34.87%	American Community Survey
Change in K-12 enrollment (1-year change from 2015 to 2016)	Cass: 2.9% Ransom: -1.1% Richland: -0.9% Sargent: -1.1% Steele: -9.7% Traill: -2.0%	North Dakota Department of Public Instruction
Change in K-12 enrollment (10-year change from 2007 to 2016)	Cass: 19.7% Ransom: -3.7% Richland: -15.9% Sargent: -24.4% Steele: -45.1% Traill: -13.6%	North Dakota Department of Public Instruction
Annual population change (2015 to 2016)	Cass: 2.2% Ransom: -1.0% Richland: -0.2% Sargent: 0.6% Steele: 0.1% Traill: 0.2%	American Community Survey



Goal #2 – Economic Diversification

Metric	Present Value	Source
Ogive Index (2016) <i>Lower bound of zero; upper bound of 50. Smaller number indicates more sectorial diversity.</i>	Cass: 4.45 Ransom: 8.51 Richland: 4.61 Sargent: 37.42 Steele: 7.82 Traill: 13.29	Employment data from Cluster Mapping project
Innovation Index (2016)	See appendix for full breakdown	Indiana Business Research Center at Indiana University

Goal #3 -- Infrastructure

Metric	Present Value	Source
Building permits issue for both single and multi-family housing (2016)	Cass: 1,015 Ransom: 5 Richland: 33 Sargent: 21 Steele: 2 Traill: 13	U.S. Census Bureau

Prosperity and Vibrancy

Metric	Present Value	Source
Per-capita income (2016) <i>Total personal income (from labor and non-labor sources) divided by total population</i>	Cass: 54,248 Ransom: 47,558 Richland: 46,078 Sargent: 54,276 Steele: 56,737 Traill: 52,089	Bureau of Economic Analysis
Average earnings per job (2016) <i>Total earnings divided by total employment. Full and part time are counted at equal weight. Employees, sole proprietors, and active partners are included.</i>	Cass: 54,462 Ransom: 37,409 Richland: 44,227 Sargent: 45,988 Steele: 45,348 Traill: 45,477	Bureau of Economic Analysis
People below poverty in percentage (2016)	Cass: 12.1 Ransom: 9.3 Richland: 10.8 Sargent: 5.8 Steele: 7.3 Traill: 10.5	American Community Survey

Post-secondary degree attainment in percentage (2016) <i>Associates degree or higher</i>	Cass: 51.5 Ransom: 30.0 Richland: 39.8 Sargent: 37.1 Steele: 32.8 Traill: 39.9	American Community Survey
Venture capital deals, 5-year running average (2012 to 2016)	North Dakota: \$6,800,420	SSTI (PricewaterhouseCoopers; CB Insights; Thomson Reuters)



Resilience

A resilient regional economy is one that is able to self-correct in response to the inevitable, yet often unanticipated, disturbances. Resiliency is the ability for businesses to remain open and for workers to remain gainfully employed after an event has occurred. Risks shall be mitigated to the greatest extent possible, although it is impossible to completely remove risks. Historically, the region has experienced several types of adverse events, ranging from discrete shocks (e.g. floods, closure of downsize of major employers, etc.) to longer-term stresses (e.g. recessions, downturns in commodity markets, population decline, etc.).

For reference, the following list shows the amount of public assistance distributed to the region from the Federal Emergency Management Agency (FEMA) for presidentially declared disasters since 2010.

2010 Flooding	3,539,384.91
2010 Winter Storm	69,433.65
2011 Flooding	18,931,030.68
2013 Flooding	3,383,827.22
<i>Total</i>	<u>\$25,923,676.46</u>

The major 2009 flood that brought record levels for the Red River and its tributaries lead to more than \$150 million in federal assistance for cities, homeowners, and businesses. Other natural disasters the region is at risk of experiencing include drought, tornado, and wind storms.

Efforts to increase resilience are categorized as either “steady state” or “responsive” initiatives. The former refers to those pre-incident initiatives which bolster the community’s long-term ability to withstand or avoid a shock in the first place; the latter refers to the ability to quickly launch post-incident short-term actions that begin the recovery process. Potential action steps that were identified through the planning process are listed below.



Steady-State Initiatives

- Infrastructure enhancements to mitigate natural disasters, in particularly flooding that is the greatest risk
 - Removing critical facilities and buildings out of hazardous zones such as floodplains
 - Enacting zoning to prevent land development from occurring in hazardous areas
 - Encouraging entrepreneurship that creates a dynamic and diverse economy
 - Diversification in the industrial base that build upon strengths and adds new assets
 - Enhancing existing clusters through value-added and value-chain development
 - Implementing a business retention program that assists firms with recovery and continuity planning
 - Training a workforce that can more easily shift between jobs and industries
 - Ensuring redundancy in communication networks for public safety and commerce
 - Install alternative green energy production on municipal facilities as well as private businesses and homes in order to build redundancy in the electrical grid
 - Ensure that multi-hazard mitigation plans are approved and updated as required
 - Hardening and increasing capacity of infrastructure that were it to fail resulting from an event would hinder access to business facilities
 - Investing in off-site backup storage of critical data
 - Incorporate business continuity planning in entrepreneurship and business support education
 - Build a GIS-based data system that maps local firms and their risk exposure
 - Promote disaster preparedness planning for households
-

Responsive Initiatives

- Establishing a formal system that monitors, communicates, and updates the business community following an incident (i.e. economic incident response task force)
 - Creating coordinating mechanisms and leadership succession plans for short to long-term recovery needs
 - Designate organizations that can obtain or administer “surge” capital and credit such as a disaster recovery loan fund and reconstruction grants
 - Implement a “buy local” program for recovery-related public expenditures
 - Action plan for rapid restoration of utilities
 - Action plan for alternative transportation routes and logistics
 - Strategy for maintaining supply chain access following event
 - Short-term space for businesses to continue operations
-



Post-event recovery presents an opportunity to not only build-back, but to do so in a manner that enhances resilience and socio-economic conditions. While it is difficult to predict with certainty what areas of the region or segments of the population would be affected by a disaster, recovery planning conducted beforehand would entail the establishment of standards that would guide the rebuilding process and would prioritize how recovery funds are to be directed as well as the responsive initiatives listed above.



Appendix A - Economic Innovation Group's Distressed Community Index, by zip code

The following table lists the results from EIG's distressed community index, which was introduced in the "economic conditions" section. Scores were derived from data compiled from the American Community Survey (5-year estimates 2010-2014) and the 2010 and 2013 Zip Code and County Business pattern data. The distress scores are calculated based on a geography's rank on each of the seven equally weighted variables. The ranks are then averaged and normalized to be equivalent to percentiles.

	Population	No High School Degree	Housing Vacancy Rate	Adults Not Working	Poverty Rate	Median Income Ratio	Change in Employment	Change in Businesses	Distress Score
58230 (Finley)	640	10%	10%	41%	7%	90%	-21%	-28.10%	66.5
58240 (Hatton)	1210	15	8	44	13	83	-14.8	3.4	62.9
58274 (Portland)	1010	10	11	31	16	113	15.7	10.3	23.2
58257 (Mayville)	2050	7	13	42	11	85	0.4	0	49.1
58275 (Reynolds)	790	7	1	34	11	107	-37.9	-8.3	34.8
58218 (Buxton)	690	10	3	37	1	125	10.5	10.5	4.9
58046 (Hope)	650	7	10	37	6	105	0	0	28.8
58045 (Hillsboro)	2440	10	8	35	8	99	9.5	9.5	18.3
58048 (Hunter)	590	5	14	25	8	120	83.9	44.4	6.8
58064 (Page)	530	10	23	26	2	119	23.8	12.5	13.8
58079 (Wheatland)	570	5	8	40	0	133	-10.5	-7.7	31.0
58012 (Casselton)	2630	4	7	31	3	119	40.2	-2.2	7.1
58059 (Mapleton)	1110	4	3	30	9	124	14	13	2.1
58042 (Harwood)	1560	3	3	25	1	159	-1	8.8	2.3
58078 (West Fargo)	28730	5	3	23	9	125	24.1	9.5	2.1
58005 (Argusville)	610	9	2	31	1	145	25	25	0.7
58047 (Horace)	3860	4	2	22	1	161	10.1	7.6	0.7
58103 (Fargo)	48510	7	5	26	17	77	9.3	3.4	25.6
58102 (Fargo)	31230	5	7	32	20	75	7.8	-0.5	37.5



58104 (Fargo)	31430	3	5	22	7	119	9.4	14.8	2.7
58051 (Kindred)	1,360	4	10	26	6	148	-2	4.1	12.7
58052 (Leonard)	730	5	9	28	5	134	70.4	-5.6	11.4
58077 (Walcott)	630	5	17	27	2	127	53.8	23.1	4.9
58027 (Enderlin)	1,240	11	16	40	12	85	-6.1	-6.1	69.9
58054 (Lisbon)	2990	10	7	35	7	97	5.6	-10.9	35.5
58060 (Milnor)	1270	11	14	33	8	105	-3	-3	45.5
58081 (Wyndmere)	960	8	13	36	9	99	16.8	3.7	25.5
58075 (Wahpeton)	9050	8	9	32	13	96	6.9	-3.5	36
58040 (Gwinner)	970	8	3	23	6	120	-2.4	-2.4	15.5
58474 (Oakes)	2700	11	8	32	6	99	-4.3	0	32.6
58032 (Forman)	740	10	16	36	8	87	7.2	0	41.6
58053 (Lidgerwood)	1410	13	14	43	17	87	-5.1	7.5	65.2
58041 (Hankinson)	1580	12	11	35	10	108	-1.5	-1.7	42.8
58030 (Fairmount)	610	7	8	33	6	102	5.9	-15	29.6



Appendix B – Cluster Mapping results, by county

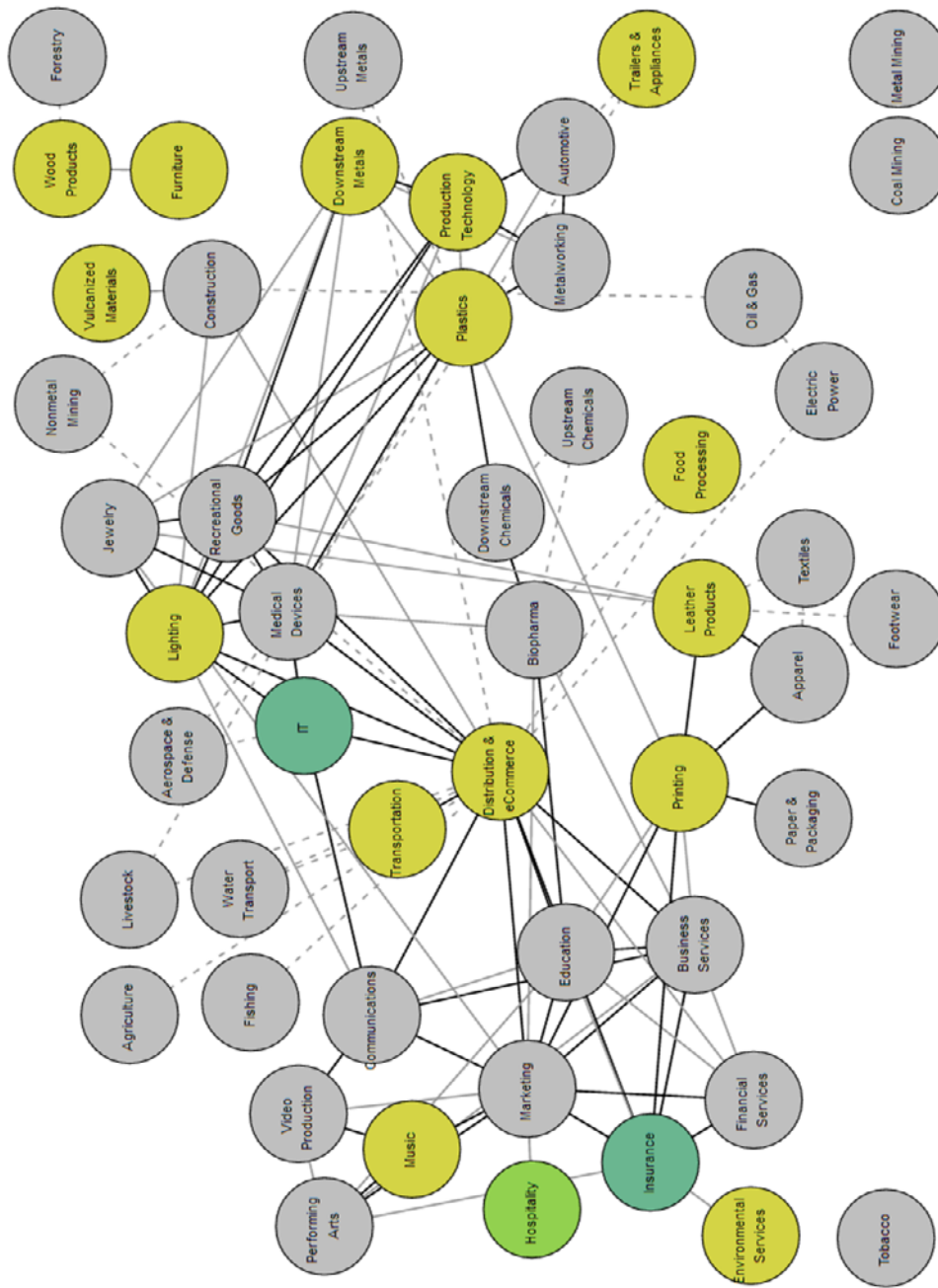
The circle in dark green represents strong clusters above the 90th percentile in terms of specialization, compared to the nation. Light green represents clusters above the 75th percentile. Yellow highlighted circles are those that are weaker, but still have location quotients above 1.0. Lines connecting each cluster circle denote the interconnectedness among the clusters. Solid lines are for those strongly tied, lighter grey and dotted are weaker but nonetheless still important ties.

Cluster-based development is a popular method for economic development practitioners in that the focus is placed upon the region's already healthy core industries and the industries that are related in terms of similar input needs (i.e. labor, raw materials, etc.) and connected value chains. The copresence of like-companies is not one of coincidence. Rather, it is the result the inherent advantages a location give to the type of company in question. The proximity does not necessarily lead to the realization of a cluster. Instead, active personal relationships, face-to-face interaction, and a sense of common interest are needed to bind the different companies together in a communal set of interests. Interventions designed to improve a cluster's performance address the common needs of businesses within the cluster. The prospect of cluster development leading to job and wage growth is highly appealing to local actors, including those from rural areas.

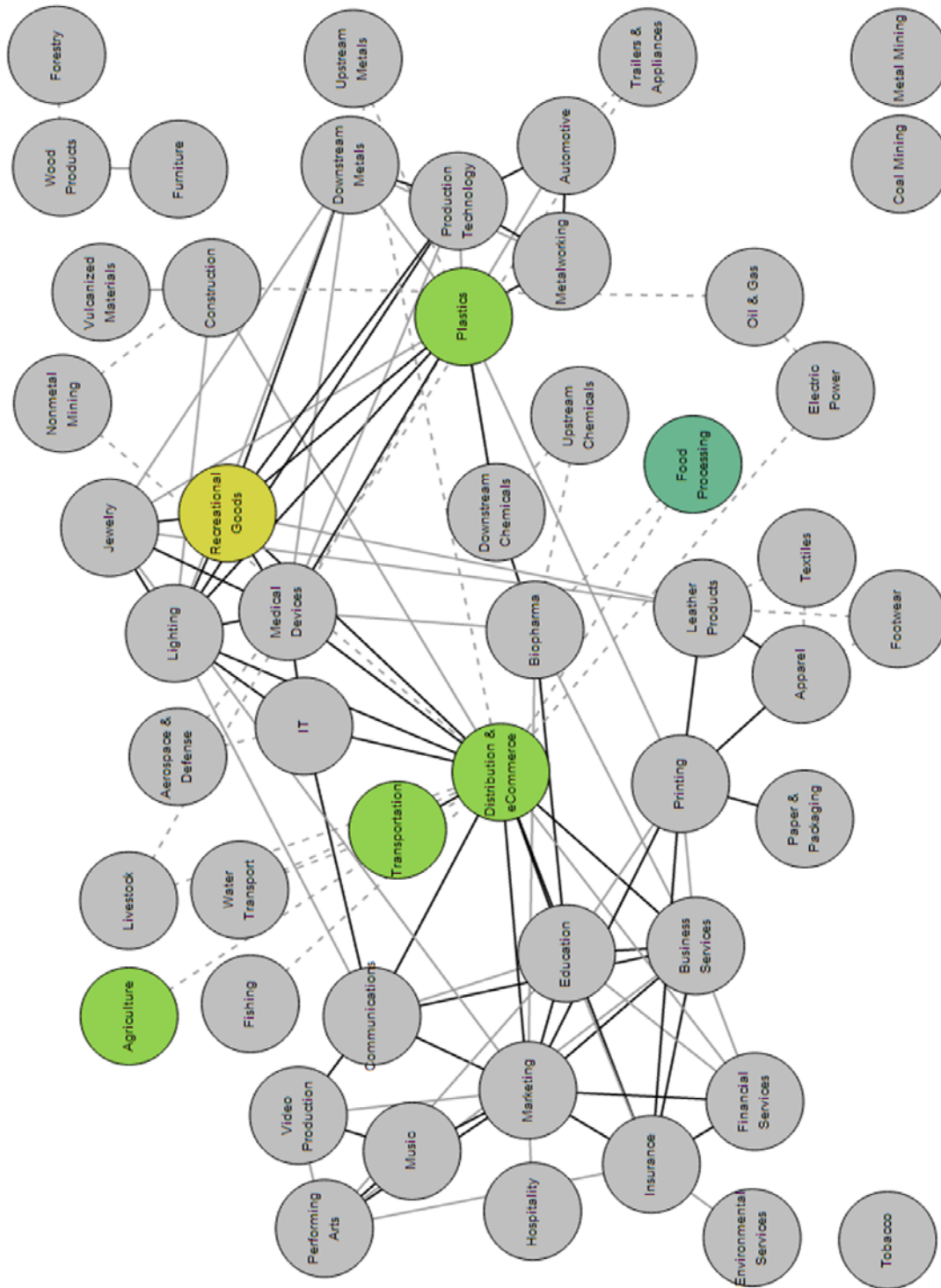
Diversifying the economy through cluster-based development typically entails a very comprehensive approach to solutions. The aims of furthering cluster development are multiple and can include the boosting of innovation, fostering the creation of new businesses, increasing productivity, increasing household income, and building infrastructure. By using the data and visualizations from the Cluster Mapping Project, we are able to identify the clusters that are most realistic for our region and thus prioritize limited resources.



Cass County



Trail County



Appendix C – Largest Employers

The ten largest employers in 2015 are presented to highlight the dominant firms and to help understand the extent of diversification present in each county, as well as exposure to firm closure or downsizing. Steele County is not shown because of the size of the population can't allow for the maintenance of firm confidentiality. Companies listed as “nondisclosable” are made anonymous because the owners did not provide written consent to Job Service North Dakota to be published.

Cass County

Rank	Employer	Ownership	Industry
1	Sanford Health	Private	Hospitals
2	North Dakota State University	State Gov't	Educational Services
3	Noridian Mutual Insurance Co.	Private	Insurance Carriers and Related Activities
4	Fargo Public Schools	Local Gov't	Educational Services
5	Essentia Health	Private	Hospitals
6	US Bank	Private	Credit Intermediation and Related Activities
7	West Fargo Public Schools	Local Gov't	Educational Services
8	Veterans Affairs Medical Center	Fed Gov't	Hospitals
9	City of Fargo	Local Gov't	Executive, Legislative, and General Gov't
10	Supervalu	Private	Food and Beverage Stores

Ransom County

Rank	Employer	Ownership	Industry
1	ND Veterans Home	State Gov't	Nursing and Residential Care Facilities
2	[Nondisclosable]		
3	Lisbon Public Schools	Local Gov't	Educational Services
4	[Nondisclosable]		
5	Lisbon Area Health Services	Private	Hospitals
6	Maryhill Manor	Private	Nursing and Residential Care Facilities
7	Parkside Lutheran Home	Private	Nursing and Residential Care Facilities
8	Enderlin Public Schools	Local Gov't	Educational Services



9	[Nondisclosable]		
10	Ransom County	Local Gov't	Executive, Legislative, and General Gov't

Richland County

Rank	Employer	Ownership	Industry
1	ND State College of Science	State Gov't	Educational Services
2	Minn-Dak Farmers Cooperative	Private	Food Manufacturing
3	Dakota Magic Casino	Local Gov't	Amusement, Gambling, and Recreation
4	Wahpeton Public Schools	Local Gov't	Educational Services
5	CDI Services, Inc.	Private	Plastics and Rubber Products Manufacturing
6	Primewood	Private	Wood Product Manufacturing
7	WCCO Belting	Private	Plastics and Rubber Products Manufacturing
8	Red River Human Services Foundation	Private	Nursing and Residential Care Facilities
9	Wal-Mart	Private	General Merchandise Stores
10	St. Catherine's Living Center	Private	Nursing and Residential Care Facilities

Sargent County

Rank	Employer	Ownership	Industry
1	Doosan Bobcat	Private	Machinery Manufacturing
2	[Nondisclosable]		
3	Milnor Public Schools	Local Gov't	Educational Services
4	Sargent Central Public Schools	Local Gov't	Educational Services
5	Four Seasons Health Care Center	Private	Nursing and Residential Care Facilities
6	North Sargent Public Schools	Local Gov't	Educational Services
7	J&M Printing	Private	Printing and Related Support Activities
8	Grotberg Electric	Private	Specialty Trade



			Contractors
9	Sargent County	Local Gov't	Executive, Legislative and General Gov't
10	Teal's Market Gwinner	Private	Food and Beverage Stores

Trail County

Rank	Employer	Ownership	Industry
1	American Crystal Sugar	Private	Food Manufacturing
2	Mayville State University	State Gov't	Educational Services
3	Sanford Health Clinic	Private	Hospitals
4	Luther Memorial Home	Private	Nursing and Residential Care Facilities
5	May-Port CG Schools	Local Gov't	Educational Services
6	Transystems Services	Private	Truck Transportation
7	Hillsboro Public Schools	Local Gov't	Educational Services
8	Hatton Prairie Village	Private	Nursing and Residential Care Facilities
9	Trail County	Local Gov't	Executive, Legislative and General Gov't
10	Reynolds United Co-Op	Private	Merchant Wholesalers, Nondurable Goods

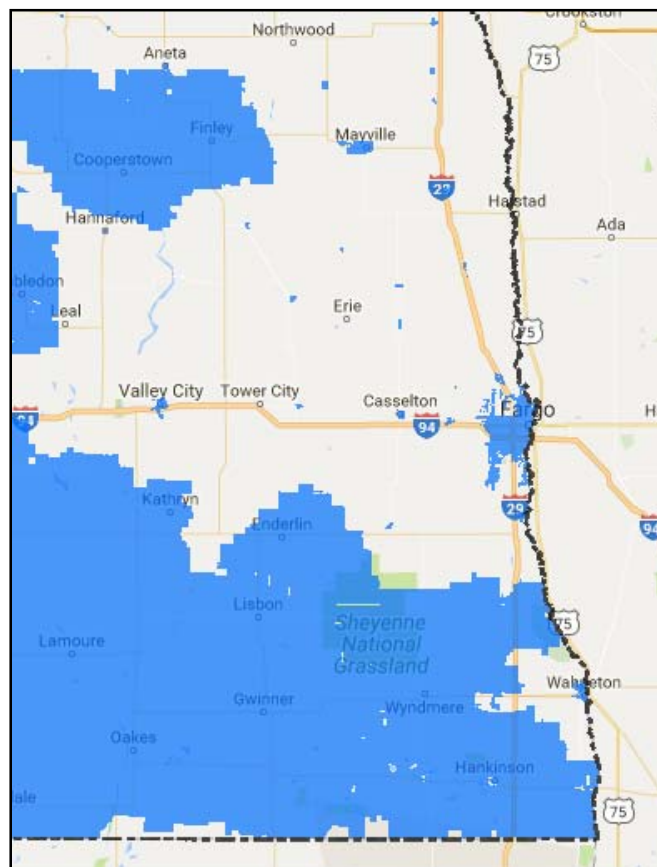


Appendix D – Broadband coverage statistics

	Percent of population with access to...		
	25 Mbps	100 Mbps	1 Gig
Cass	96.4	86.5	76.2
Ransom	96.4	96.4	96.4
Richland	85.3	85.3	17.7
Sargent	96.7	96.7	96.7
Steele	59.3	59.3	47.0
Traill	74.5	74.2	2.0

Source: BroadbandNow
(<http://broadbandnow.com/North-Dakota>)

The map below shows the territory covered by Internet at the Federal Communication Commission's broadband definition of 25 Mbps download and 4 Mbps upload.



Source: North Dakota Information Technology Department



Appendix E – Summary of Public Comments & Responses

The 30-day public comment period commenced on August 1, 2017. A notice was posted on Lake Agassiz Development Group’s website and Facebook page. An email blast was sent to each city and county auditor plus the stakeholders who were contacted as part of the planning process. The following are the comments received with a response to each.

Commenter A: Small Business Administration North Dakota District Office

Comment A1: Under the district’s SWOT analysis, additional strengths to include are SBA loan guaranty products (including Certified Development Companies), the large number of commercial lenders in the region who are also SBA lenders and can use SBA programs to assist small businesses to start and grow, and the SBA microlender partner in Lake Agassiz CDC.

Additional opportunities under the SWOT analysis to include are the SBA District Office staff and resource partners in the Small Business Development Centers and Women’s Business Center who can assist in meeting education and training needs in entrepreneurship, succession planning, start-ups, and so on. SBA staff can assist in export education and lending programs that provide guarantees to encourage lenders to support small businesses exporting their goods and services.

Response: The suite of direct and guarantee loan products offered by SBA in conjunction with its commercial lending partners, as well as the training opportunities mentioned, have been inserted into the SWOT analysis under the strengths column.

Comment A2: Under the goals and action steps section, I am suggesting a couple entities so people can realize these tools. The state/federal Entrepreneur Centers of North Dakota (EDND) could be a partner in a couple of the actions, i.e. 2.1.1, 2.1.2.

Response: The Entrepreneur Centers of North Dakota are a collaboration of financial, training, counseling, and technical assistance providers. The goal of the group is to work jointly with businesses, borrowers, lenders, economic developers, and communities to streamline the financing process and to provide timely service to borrowers. ECND partners are the Center for Technology and Business, the Bank of North Dakota, North Dakota Department of Commerce, USDA Rural Development, the Small Business Administration, and the three certified development companies in the state of North Dakota (Dakota CDC, Lake Agassiz CDC, and Lewis and Clark CDC). While several of these



organizations have been mentioned, “Entrepreneur Centers of North Dakota” as a group have been inserted to the goals and action steps to encompass all of the organizations.

Comment A3: Under goal 2.4, SBA’s Emerging Leaders program and the SBA/AARP Encore Entrepreneur annual mentoring events are good supportive services that would be nice to support and continue in the region.

Response: SBA’s Emerging Leaders Initiative is an executive-level training series that is now run in 51 cities across the county. The training focuses on small, poised-for-growth companies that have potential for job creation. Through a seven month intensive educational series with approximately 100 hours of classroom time, participants connect with mentors, attend workshops, and develop relationships with peers, city leaders, and lenders. SBA in partnership with AARP hosts Encore Mentoring events to help those 50 plus start and growth their own business.

Mentioning these programs alongside the ones already listed shows the wide range of supportive services in the region’s entrepreneurial ecosystem. Those have been inserted, but it should be noted that there are services which may have missed in the CEDS.



Appendix F – Resolution Adopting the 2018-2022 CEDS

RESOLUTION ADOPTING THE 2018-2022 LAKE AGASSIZ REGIONAL COUNCIL COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

WHEREAS; Lake Agassiz Regional Council (LARC) is the duly constituted and recognized Economic Development District for Region V in North Dakota; and

WHEREAS; in 2017 LARC completed an update of the five-year Comprehensive Economic Development Strategy that is to be submitted to and approved by the Economic Development Administration (EDA); and

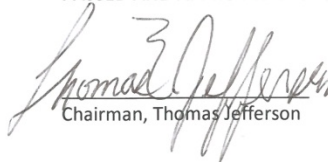
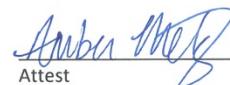
WHEREAS; LARC engaged with a wide variety of stakeholders to review and consider the economic circumstances of the region; and

WHEREAS; the support and assistance provided by EDA is valuable in implementing projects aimed at improving the economic circumstances of the region; NOW THEREFORE

BE IT RESOLVED that the board of the Lake Agassiz Regional Council has formally adopted the 2018-2022 Comprehensive Economic Development Strategy for Region V; and

BE IT FURTHER RESOLVED that per EDA guidelines as delineated in LARC’s financial award, annual reviews and updates are to be conducted and submitted to EDA.

PASSED AND APPROVED this 13th day of December, 2017.

 Chairman, Thomas Jefferson	 Attest	12-13-17 Date
---	---	------------------

