CONNECTING THE DOTS –
LEGISLATIVE OUTCOMES, VISION & PRIORITIES

MICHELLE KOMMER, COMMISSIONER
WHAT WE DO

- ECONOMIC DEVELOPMENT & FINANCE
- WORKFORCE
- TOURISM / MARKETING
- COMMUNITY DEVELOPMENT

NORTH Dakota Commerce
Be Legendary.
THE VALUE WE CREATE

01 STRATEGIC VISION FOR ECONOMIC VIABILITY
02 BUILD CAPACITY ACROSS ALL FUNCTIONS
03 CONNECT RESOURCES TO DRIVE ECONOMIC GROWTH
04 ELEVATE ND IMAGE
Lay foundation for next generation (e.g. new markets, industries, diversification, trade)

Leading modernization of transportation logistics and infrastructure

Build sustainable innovation ecosystem (entrepreneurship, VC, research, commercialization)

Strengthen statewide economic development network (capacity building)
TOURISM / MARKETING

- Grow awareness of ND
- Improve understanding of tourism's impact on state’s economy
- Increase offerings through policy changes
- Brand unification
- Connect marketing efforts to impact

NORTH Dakota
Be Legendary.™
Commerce
Execute Summit 2.0

Transition awareness to action

Plan for continuity

Build strategic planning capability

Identify metrics
COMMUNITY SERVICES

- Create more affordable housing
- Help people reach self-sufficiency
- Develop business plan to optimize federal development funds
THANK YOU!

You can find me at @KommerMichelle
COMMERCE ECONOMIC STRATEGY BRIEF

JAMES LEIMAN
ED&F has identified methods to work with partner organizations, local economic developers, the federal government, financial institutions and international firms to propel North Dakota’s economy to the next level.

- Value-Added Agriculture
- Value-Added Energy
- UAS
- Advanced Manufacturing
- Introducing New Money
CURRENT STATE OF THE ND ECONOMY

- Overall growth lower than national average
- All primary sectors growing with the exception of agriculture
- Workforce challenges persist
- Commerce focusing on trends to get ahead of next downturn; take advantage of anticipated growth cycles
VALUE-ADDED AGRICULTURE

- Improving transportation costs
  - Intermodal
  - Class I carrier efficiency
- Discovering new markets
- Grand Farm
- New financial opportunities
VALUE-ADDED ENERGY

- Introduce petro-chemical industry
- Find market solutions to reduce flaring and increase production
  - Greenhouses
  - Blockchain
- Establishing additional pipeline and transportation capacity to meet industry needs
- New market channel discoveries/ investors
UNMANNED SYSTEMS

• BVLOS
• Data Supply Chain
• Test Site
• Grand Sky
ADVANCED MANUFACTURING

• Higher skilled workforce
• National Defense Industrial Association
• Opportunity Zones
• New programs
• BioND
  • Commercialize, grow, and sustain globally competitive bio-science companies
  • Clustering
  • Create entrepreneurial ecosystem
    - Life sciences, bio-ag, bio-materials, bio-fuels, and related
NEW FUNDING OPPORTUNITIES

- Private Money
  - Innovation Platform
  - VC
- New strategies for existing programs
- Development Fund moving forward
- LIFT
- Incentives
EMPOWER PEOPLE.

IMPROVE LIVES.

INSPIRE SUCCESS.
WHERE INNOVATION MEETS OPPORTUNITY
Opportunity Zone Quick Facts

• An Opportunity fund can provide a temporary deferral of inclusion in taxable income for capital gains reinvested. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.

• An investment can be a step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.

• An investment can be a permanent exclusion from taxable income of capital gains from the sale or exchange of an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.
Investment Timeline

YEAR 1 | 2018
Roll over gain into Opportunity Fund (defer tax on gain)

YEAR 5 | 2023
Tax on original capital gain is reduced by 10%

YEAR 7 | 2025
Tax on original capital gain is reduced by another 5% (15% total reduction)

YEAR 9 | April 2027
Pay taxes on original deferred capital gains (minus 15% reduction)

YEAR 10 | 2028
All capital gains taxes now eliminated on any Opportunity Fund profits

What could be realized
LOCATIONS IN NORTH DAKOTA

- Invest in professionally managed funds
- Self Certify
- Establish Funds
- Combine with other incentives

25 total
Take advantage of:
- Ren Zones
- Local Incentives
- Primary Sector
- Grant and loan programs
Diversification

AMAZING OPPORTUNITIES

- Strategy Transformation
- New Funding Streams
- Infrastructure Investment
- Commercialization of IP
- Introduction of New Industries
MSI 1.0
Educate, Learn

MSI 2.0
Action, Assess

MSI 3.0
Advocate, Sustain
- EDUCATE about MSI and workforce shortage
- INVITE engagement in initiative (communities and partners)
- ESTABLISH shared vocabulary about quality of life, workforce, infrastructure development across North Dakota
- LEARN what support community leaders need from Team ND
- BUILD structure and process for MSI
- DEVELOP vision for MSI 2.0
Main Street Student Advisory Committee meets with Governor Burgum
COMMUNITY TOP PRIORITIES

1. Childcare
2. Housing
3. Attract/retain young households
4. Community planning
5. Recreation
6. Vacant/dilapidated buildings
7. Essential services
8. Communication and marketing
9. Vibrancy
10. Infrastructure funding

Photo credit Tait and Kate Consulting
Main Street meeting in Gilby, ND
▪ **IDENTIFY** priorities for each MSI community
▪ **ASSESS** trends in challenges/opportunities
▪ **ACT** on needs of MSI communities
▪ **EVALUATE** the impact of MSI and adjust accordingly
▪ **SUSTAIN** by engaging partners
Main Street Community Leaders Network

Regional Convenings

2019 Main Street ND Summit – Activate!

Engage Partner Organizations

Connect Needs with Resources

Programs and Policies
DEAR MSI COMMUNITY LEADERS IN REGIONS 5 & 6,
You’re Invited!

Main Street Convening

June 6, 2019 | Ellendale, ND

1-4pm
Networking, Brainstorming,
Community Development

Ellendale Opera House
55 Main Street

RSVP with Ally | amcarson@nd.gov
MEASURING THE IMPACT OF MSI

Short-term vs. Long-term
SURVEY RESULTS

31 respondents from 24 communities
Still collecting responses; snapshot

- MSI has had “Great Impact” or “Some Impact” in their community
- 84%

- Community has a more optimistic vision for their future
- 72%

- Community feels more empowered to make the change they want to see
- 80%

- Local leaders feel more supported in improving quality of life
- 100%
"New ideas don't come easily, small communities need to be SHOWN success from other small communities, not just told about it from the top down. "Top" doesn't always think obstacles can be overcome, or only focus on their own strengths."
SUCCESS STORIES

- Forman
- Mandan
- Cavalier
- Rugby
- Hankinson
- New Rockford
- Hettinger
- Valley City
- Milnor
- Grafton
- Jamestown
- Harvey
- Dickinson
- Velva
- Devils Lake
- Williston
SAVE THE DATE

SUMMIT 2019

A CONFERENCE FOR COMMUNITY LEADERS TO NETWORK, LEARN AND BE INSPIRED.

Oct. 29-31, 2019
Bismarck Event Center

Registration & agenda information will be available in July. Visit MainStreetSummitND.com for more information.
- Policy implications
- Advocacy
- More partnerships
- Second round of community meetings
- Main Street planning
- Continue educating and engaging
Advise from experienced leaders
Funding, Resources, Programs
  - Council on the Arts, Game and Fish, NDHFA, USDA RD, NDSU Extension, Parks and Recreation, Health, Commerce, DOT, Agriculture
  - Fundraising best practices
  - AARP Community Challenge Grant
Community Marketing
  - Marketing 101
  - Traditional Marketing
  - Social Media
  - Website and online presence
  - PR and earned media
Renaissance Zones

Community Foundations
Supporting Local Businesses (shop local campaigns, SBDC)
Local business incentive programs

Upcoming:
  - Youth engagement
  - Health in all policies
  - Low-cost vibrancy projects
  - Childcare
  - Local food ecosystem
  - Strategies for dilapidated infrastructure
  - Main Street CDBG
  - Opportunity Zones
  - Other TBD