

**ND Business Climate Study
Group Interview Answers for Business Leader Focus Group
Minot, ND
February 7, 2006**

DOING BUSINESS IN NORTH DAKOTA

What is the best reason for your business to be in North Dakota?

- The quality of life in ND
- Business owner's home
- Character of employees
- Productivity of employees
- Can generate wind energy

What is the biggest barrier to doing business in North Dakota?

- Finding qualified workforce, especially in the trades
- Poor airline access
- Lack of electrical transmission lines
- Negative perception of ND-internal & external
- Negative factors in quality of life (for young people & recreation)
- Need steel mill in ND
- Too much Federal ownership of land in the west
- Too much red tape to work with government

WORKFORCE

Are your workforce needs being met in North Dakota?

- No
- Need more employees with vocational background
- Lack of available workforce
- Labor pool too small
- Labor pool too competitive
- Impacts from lack of housing

Are there ways in which State government influences your ability to meet your workforce needs?

Is there more that the state can do to have a positive influence?

- We need student loan programs for more fields
- Need to improve the level of jobs
- Need more vocational education / training in the west (2-year trades)
- Use student loan programs for target industries
- Explore filling labor voids with immigrant workers

PARTNERS

What one thing could the State do to help your business expand in North Dakota?

How could ND universities be utilized more effectively as partners for your business?

- People want to see signs of progress-Need more crane booms on the skyline
- University system moves too slowly
- Move quicker to respond to changing workforce needs
- Universities & businesses need to interact with each other to determine needs
- Promote Art Space (non-profit help for artists) – good for community
- State should work with universities to identify needs
- Make some training dollars available to high schools
- Promote trades education (plumber, construction, etc...)
- Univ. should keep track of where graduates are-to help businesses find them
- Internships (K-12) for trade jobs
- Work to change negative perception early (K-12) on trade jobs
- Don't minimize value of 4-year degree to young people
- ND has a higher percentage of those that go to college, but an average college graduation rate – give young people an alternative to college
- Work to change negative perception of trade jobs

VENTURE CAPITAL

Have you found it difficult to obtain venture capital (or any other type of capital) in ND?

Are there any specific changes needed in legislation, regulation, funding, program, etc. that might make capital more available?

Would incentives help leverage more capital for business?

- Need funding for feasibility studies in non-agriculture
- True venture capital is not what's needed
- Small Business Development Centers need additional funding

INDUSTRY TARGETS

Are you aware that the state has identified target industries and is refining its targets?

What industries would you target?

What kinds of incentives would you offer to target industries?

- Add transportation as an industry target
- Need to improve freight & human transportation
- Need temporary housing
- Consider a pipeline authority for petroleum products
- Consider life science centers – gaining prominence elsewhere

TECHNOLOGY OPPORTUNITIES

What could the state do to further encourage the commercialization of new technologies?

- Encourage promotion of new technology
- Utilize the good thinkers within the university system
- Need personal incentives for researchers
- Promote interactive medicine via technology
- Centers of Excellence need to involve the west
- Continue and increase collaboration with institutes across the state
- Look at the roll of universities
- Create loads in power districts

TRANSPORTATION & TAXES

Is transportation a constraint upon the growth of your business?

Are state or local taxes constraints upon the growth of your business?

If so, what might be done to improve the situation?

- Railroad branch line abandonment is a problem

INFRASTRUCTURE

Is the physical infrastructure in place for business growth in North Dakota?

Is high tech infrastructure adequate to support business growth in North Dakota?

What can government do to help?

- ND is ahead of the rest of the country in high speed internet
- Lack of cell service in rural areas
- Water infrastructure is an issue
- Question the need or existence of redundant high speed internet pipe out of state
- Good fiber optic line set-up exists

NORTH DAKOTA IMAGE ISSUES

Does the state have an “image problem?”

Is this an internal or external issue?

What more could be done to enhance North Dakota’s image?

- Consider a “Finders Incentive” for bringing people into the state
- Promote our great “Quality of Life”
- Promote our weather as not being that bad
- Change license plate from “Peace Garden State” to something more attractive
- Be proud to be from ND
- External image problem stems from internal image problem
- Market the recreational activities of ND
- State should aid city funding for recreation
- Focus on what people do when not working
- Develop “Positive” internal image

- Watford City is a good example of keeping young people w/activities-recreation
- Promote development of theatres (music, arts)-state incentives
- Dickinson community center is a good example
 - Great facility
 - Swim, dance, gym, etc...

Which of these additional issues needs to be a priority in order to further encourage economic growth?

- Tuition reciprocity-do ND students come back to the state?
- What is the net economic benefit to the state of reciprocity?
- Estimate – about 30% of Minnesota students that come, stay in ND
- The state should consider incentives for health care workers locating in rural areas
- Consider tax incentives or student loan incentive for health care workers
- ND needs to reconsider indemnification language in state contracts
- Develop nuclear energy
- Address market value housing issues
- Address lack of rental housing
- Market value of housing vs. cost to build gap in small communities
- Consider a renaissance statute for small towns

Please make a suggestion, concerning any of these issues:

- Technology commercialization needs partnerships between public & private
- Need funding for non-agricultural feasibility studies
- We should use our energy instead of exporting it

FOR NEXT TIME

What kind of follow-up would you like to see to gauge progress made as a result of the Business Climate Studies?

What would make it most likely that you would participate again?

- Establish benchmarks
- Give everyone a report of activities from this meeting (will be online)
- Keep travel distance low (use local meetings)

**ND Business Climate Study
Group Interview Answers for Business Leader Focus Group
Bismarck, ND
February 8, 2006**

DOING BUSINESS IN NORTH DAKOTA

What is the best reason for you business to be in North Dakota?

- Productive workforce
- Low crime rate
- Quality government services for business
 - Workforce Safety & ND Job Service
- Strong work ethic
- Ease of access to decision makers
 - Legislators & Executive branch
- Education level of workforce
- ND Right to Work Law

What is the biggest barrier to doing business in North Dakota?

- Weather
- High transportation costs
- Availability of workforce
- Lack of population growth
- Demographics of population
- Negative image of the state
- Hard to expand in limited markets

WORKFORCE

Are your workforce needs being met in North Dakota?

Are there ways in which State government influences your ability to meet your workforce needs?

Is there more that the state can do to have a positive influence?

- They are not being met
- Need more workforce in trucking industry
- Need truck driver training
- Need more training in 2 year fields

- To keep young people in the state
 - BSC should become a 4-year university
 - Improve image of the state
- Target young people
- Match school calendar to tourism & hospitality markets
- Continue workforce development for training employees
- Find ways to bring outside people into state
- Improve access to high speed internet
 - will help rural areas
 - improves ability to work from home
- Promote & encourage positives of living in ND
- Establish/improve ND graduates database
 - focus on area of study
 - target these individuals
 - allow employers to build relationships with possible future employees
- More assistance with student loans to keep graduates here
- Services to help with diversity & immigration
- Don't limit ourselves to prior ND individuals-market to all
- Need to increase job opportunities for "white collar" workers
- Need to recruit more "blue collar" workers

PARTNERS

**What one thing could the State do to help your business expand in North Dakota?
How could ND universities be utilized more effectively as partners for your business?**

- PACE program works very well
 - revamp PACE-look at quality of jobs, not just number of jobs
 - focus on dollars of wages instead of jobs per \$75,000
- Improve high speed internet connection
- Allow private use of state Interactive Video Network
- More marketing dollars for tourism
- More private business partnerships with universities
 - Example: BSC & energy
- Communicate with young people
 - Gain from their perspective of the state
 - Contact Young Professionals Group YPG
 - Be open to YPG's ideas

VENTURE CAPITAL

Have you found it difficult to obtain venture capital (or any other type of capital) in ND?

Are there any specific changes needed in legislation, regulation, funding, program, etc. that might make capital more available?

Would incentives help leverage more capital for business?

- Available, if you have a good idea
- More of a need for young professionals
- Need for help/expertise on the process
- VC tend to look for fast return
- Capital is difficult for new & emerging ideas
- Consider assistance to bring interns into businesses
- Program to assist with Business Planning
- Venture capital firms take ownership-ND's often not willing to give up
- Venture capital firms have a low image of ND
- ND has constitutional barriers for companies to go public
 - venture capital firms like this as an exit strategy
- ND need to learn venture capital markets to help meet needs
- Meet with venture capitalists to gain their knowledge
- Get into their network to gain contacts
- Participate with young professionals and at the university level

INDUSTRY TARGETS

Are you aware that the state has identified target industries and is refining its targets?

What industries would you target?

What kinds of incentives would you offer to target industries?

- Match state incentive programs to the target industries
 - technology
 - tourism

TECHNOLOGY OPPORTUNITIES

What could the state do to further encourage the commercialization of new technologies?

- Utilize research done for the Red River Corridor for the entire state
- Connect technology to energy

TRANSPORTATION & TAXES

Is transportation a constraint upon the growth of your business?

Are state or local taxes constraints upon the growth of your business?

If so, what might be done to improve the situation?

- Air travel is restrictive and expensive
- Property taxes are high
- Increasing business tax would be counter productive to attracting more businesses
- Wrong to rely so strongly on business taxes
- There is a shortage of truck drivers
- There is a shortage of driver training
- Analyze State's investment vs. State's return
 - Education
 - Cost – benefit analysis
 - University education vs. driver training

INFRASTRUCTURE

Is the physical infrastructure in place for business growth in North Dakota?

Is high tech infrastructure adequate to support business growth in North Dakota?

What can government do to help?

- Good tele-communications, allows people to work-at-home
- More long-term technology options are coming-cell phone for wireless service

NORTH DAKOTA IMAGE ISSUES

Does the state have an “image problem?”

Is this an internal or external issue?

What more could be done to enhance North Dakota's image?

- Look to surrounding states for ideas to market ND's positives
- Marketing-tell people how good ND is
- Marketing needs proper funding

Which of these additional issues needs to be a priority in order to further encourage economic growth?

Please make a suggestion, concerning any of these issues:

- Recreation-people live where there are fun things to do
- Health insurance premiums are a struggle for businesses
- Medical facilities are critical, i.e. Dickinson Hospital
 - Blue Cross Blue Shield (BCBS) & state government need to be in long-term planning re: healthcare

- Need to move our mindset from “treating illness” to “preventing illness”
- Keeping/bringing young people here solves lots of other problems
- “If you create good jobs, North Dakotan’s will come back” ... not always true
- Western ND needs to fill available jobs
- Broaden your targets of who to bring in, diversity/immigrants
- Track capital
 - Where does it go?
 - Does it stay in ND?

FOR NEXT TIME

What kind of follow-up would you like to see to gauge progress made as a result of the Business Climate Studies?

What would make it most likely that you would participate again?

- Action like we saw last time will get us back
- Communicate the results
- Target a discussion with a younger group
- If we see results, we will participate again

**ND BUSINESS CLIMATE STUDY
GROUP INTERVIEW ANSWERS FOR ECONOMIC DEVELOPERS
BISMARCK, ND
FEBRUARY 8, 2006**

What is your general take on the business climate and has there been progress since the previous Business Climate Study?

What are the top issues that impact business climate in ND?

What is most in need of improvement?

What should the legislature focus on?

- Economy better than years ago
- Limited availability of workforce
- Negative image
- Need to focus efforts on those projects that really work for us
- Business climate improved over last two years
- Need more funding for Flex-PACE
- Bottineau – Business climate worse over last 2 years due to weather
- Rural ND has grown to accept the fact that it can't succeed
- Need more dollars for Renaissance Zones
- Funding for rural housing
- More funding for Small Business Development Centers
- Transportation problems with availability & costs
- BND could help with rural housing market value gap
- Need state funding for local developers
- Fund community development to attract businesses
 - State, local, federal funds
 - Help community with presentations
 - Bring in training and education

WHAT DO YOU THINK?

Do local ED pros have the tools they need?

Does the state have all the tools it needs?

Are there state programs that are especially effective?

- PACE program
 - needs more money
 - most used & least funded
 - target money to the programs that are used
- PACE program very useful

- FLEX PACE
 - good for rural communities
 - needs more funding
- Need more workforce training in the trades
- The community college program is under-developed
 - welder program capped
 - waiting list for vocational
 - no space for more students
- High schools, parents need to be educated about employment opportunities
- Educate early, which industries are growing in ND
 - parents & K-12
 - fund guidance counselor education – job awareness
- Need education task force to help develop legislation
- Need to address pay levels within state
- The school to work program needs more funding
- Reinstate Growing ND

WORKING TOGETHER

Are there opportunities for collaboration with other localities or with the state that might be more aggressively pursued?

What would you do to enhance current state tools?

Can the state do more to market/publicize its services and assistance?

- Collaboration is getting better
- Educate local bankers on state programs

IS IT ACCURATE?

Is workforce the number one challenge for businesses in North Dakota?

Is more (or less expensive) venture capital needed? Are other types of capital in short supply or too expensive?

- Workforce is a major issue
- Look at immigration to address workforce needs
- Become more creative to attract young people
 - Job sharing
 - Flex time
 - Telecommuting
 - Different approach to job (compared to parent's generation)
- Wealthy individuals leaving state due to state income tax
- Look at quality of life to attract young people
- Continue training for employees

ARE THERE OPPORTUNITIES?

Could local universities play a greater role in Economic Development?

Can state efforts at industry targeting enhance economic development?

Are you aware of the state's industry targets and are there ways this effort could be strengthened?

- Essential function bond housing program is very good for rural communities
- Industry targets should be refined, regionally

How much hindrance or help are energy and transportation?

- Railroad service & cost are a problem

IMAGE AND REALITY

Does image hold ND back?

Is it internal, external, or both?

Can internal marketing and current state efforts help?

Can state and local economic developers do more to enhance ND image?

- Internal image, we too often make fun of ourselves
- Weather, west is much better than the east
- Support of Federal Procurement, PTAC (Procurement Technical Assistance Centers)
- Revisit "Icon Advertising" on I -94, only four states do not do this (ND is one)

RATE THE FOLLOWING AS RELEVANT TO ECONOMIC GROWTH

- Business incentive accountability law
 - Track success as well as failure
 - Incentive requirements are too closely linked to job creation

YOUR LIST?

What one thing could be done to enhance the business climate and help you do your jobs?

Is there a specific state action/program that would help?

- How do we improve image? Economists are forecasting growth in the plains, let's make sure ND gets the growth
- Centers of Excellence
 - universities should not be in competition with each other
 - provide sufficient funding

THE LAST WORD

Where would you like to see this study go?

Are there ways in which we could improve follow-up to the 2004 Business climate study results?

What would bring you back for next time?

- Give businesses the follow-up they want
- Maintain flexibility within the programs