

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

ECONOMIC DEVELOPMENT COMMITTEE

Monday and Tuesday, April 5-6, 2004
Best Western Ramkota Hotel, Bismarck, North Dakota
International Inn, Minot, North Dakota

Representative Rick Berg, Chairman, called the meeting to order at 8:30 a.m.

Members present: Representatives Rick Berg, Tracy Boe, Donald L. Clark, Mark A. Dosch, Glen Froseth, Nancy Johnson, Jim Kasper, George Keiser, Eugene Nicholas, Kenton Onstad, Ken Svedjan, Don Vigesaa; Senators Dick Dever, Duaine C. Espesgaard, Tony S. Grindberg, John O. Syverson, Ryan M. Taylor

Member absent: Representative Mary Ekstrom

Others present: See Appendix A

STATE'S PRIMARY SECTOR BUSINESS CLIMATE STUDY - FOCUS GROUP DISCUSSIONS

This committee meeting was made up of three half-day business community focus group discussions. The Bismarck area business community focus group discussion began at 8:30 a.m., Monday, April 5, 2004, in the Cannonball Room, Best Western Ramkota Hotel, Bismarck. The rural western area business community focus group discussion began at 1:00 p.m., Monday, April 5, 2004, in the Cannonball Room, Best Western Ramkota Hotel, Bismarck. The Minot area business community focus group discussion began at 8:30 a.m., Tuesday, April 6, 2004, in the Executive Room, International Inn, Minot. The committee followed the same format for each of these half-day focus group discussions. At each focus group discussion, committee members sat at tables with business people and economic developers while Mr. Miles Friedman, President and CEO, National Association of State Development Agencies, facilitated each focus group discussion.

At each of the three focus group discussions, Chairman Berg explained how the Legislative Council's interim Economic Development Committee, pursuant to 2003 House Bill No. 1504, held focus group discussions for the business communities of Grand Forks, Fargo, and eastern rural North Dakota in February 2004 and in Bismarck, Minot, and the western rural portion of North Dakota as a part of this meeting. He said the committee will be hosting a Primary Sector Business Congress in Bismarck in May 2004 at which the issues raised and information gathered at these focus group discussions will be summarized and prioritized. He explained that Mr. Friedman will be facilitating each of the focus

group discussions as well as the Primary Sector Business Congress. He said Mr. Friedman will prepare a final report of the activities of the focus group discussions and the Primary Sector Business Congress. Representative Berg said the Economic Development Committee will use this information in making legislative recommendations to the Legislative Council and legislators will also be able to use the information to guide policymaking during the 2005 legislative session.

At the Bismarck business community focus group discussion, Chairman Berg introduced Mr. Bill Shalhoob as a representative of the North Dakota Economic Development Foundation. Mr. Shalhoob said that he is a new member of the foundation and he invited business people to contact him with comments. At the western rural business community focus group discussion, Chairman Berg introduced Mr. Guy M. Moos as a representative of the North Dakota Economic Development Foundation. Mr. Moos introduced himself to the business people and invited them to contact him with comments. At the Minot business community focus group discussion, Chairman Berg introduced Ms. Kathleen Gaddie and Senator Duaine C. Espesgaard as representatives of the North Dakota Economic Development Foundation. Ms. Gaddie introduced herself as a new member of the foundation. Senator Espesgaard provided a brief overview of the role of the foundation. Additionally, at each of the three focus group discussions, Chairman Berg introduced Mr. Paul Govig as a representative of the Department of Commerce.

Mr. Friedman began each of the focus group discussions with a group interview. The group interview included soliciting participants' responses to the following 11 questions:

1. What is the best reason for your business to be in North Dakota?
2. What is the biggest barrier of doing business in North Dakota?
3. What are the key elements to success in your business?
4. In what ways does the state influence your ability to succeed in North Dakota?
5. What one thing could the state do to help your business expand in North Dakota?
6. What must occur for us to retain and expand job opportunities in North Dakota?

7. What is your overall impression of the state's economic growth prospects?
8. Do you think there are other states that might be more attractive places to do business? Which and why?
9. Who are the key economic development players in this state and what are their roles?
10. Are there any specific changes needed in legislation, regulations, funding, programs, etc.?
11. What is the next step in enhancing the business climate?

A Legislative Council staff person recorded participant responses to each of the group interview questions. A summary of the responses for each of the three focus group discussions is attached as Appendix B.

After the group interview portion of each focus group discussion, Mr. Friedman facilitated a visioning exercise. For this portion of each focus group discussion, Mr. Friedman distributed to participants a list of 20 written statements, for which participants were asked to note whether they strongly agreed, agreed, disagreed, or strongly disagreed with each statement. Through a show of hands, Mr. Friedman informally reviewed participant responses to these 20 statements:

1. North Dakota is a great place to grow my business.
2. There is little difference in the business climate between the eastern and western ends of the state.
3. Government policies in North Dakota are, for the most part, supportive of business growth.
4. Tax and regulatory policies are the biggest barriers to business growth in North Dakota.
5. Primary sector businesses have a bright future in North Dakota.
6. Most businesses are aware of state programs that can assist them.
7. North Dakota has a superior workforce that meets the needs of primary sector businesses.
8. Capital is readily available for established businesses in North Dakota.
9. The state has a consistent, comprehensive strategy to encourage the growth of jobs and firms in North Dakota.
10. North Dakota needs to commit more resources to encouraging the growth of jobs and businesses in the state.

11. North Dakota has many advantages over neighboring states for business growth.
12. Rural communities in North Dakota need more help in growing their business base.
13. Local economic development programs are the key to assisting businesses to grow and create jobs.
14. The business community needs to be more involved in the development of economic development policies and programs at the state level.
15. There are neighboring states that have more business-friendly environments than North Dakota.
16. State and local economic developers work closely in their efforts to support business and job growth.
17. There are few changes in state policies and programs that would encourage me to grow my business.
18. North Dakota could do more to insure that we have a well-prepared, qualified workforce.
19. Government incentives make little difference in business decisions.
20. Business climate has more to do with the economy, industry forces, and local market conditions than it does with government policies and programs.

The written responses to the 20 statements were collected and tabulated. A summary of the visioning exercise for each of the three focus group discussions is attached as Appendix C. The summary distinguishes between legislators' responses and the responses of nonlegislator participants.

At the end of each of the three focus group discussions, Chairman Berg extended an invitation to all participants to participate in the Primary Sector Business Congress to be held in Bismarck in May 2004. At the completion of the focus group discussion for the Minot business community, Chairman Berg adjourned the meeting at 11:55 a.m.

Jennifer S. N. Clark
Committee Counsel

ATTACH:3