

2011 SENATE APPROPRIATIONS

SB 2313

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2313
January 31, 2011
Job # 13673

Conference Committee

Committee Clerk Signature *Rose Laning*

Explanation or reason for introduction of bill/resolution:

A bill to provide an appropriation to the department of commerce for providing a grant to an organization for the development of an in-state international goods trade center.

Minutes:

See attached testimony - #1

Chairman Holmberg called the committee hearing to order on SB 2313.

Becky J. Keller - Legislative Council;
Joe Morrissette - OMB.

Senator Carolyn Nelson, District 21

Bill Sponsor

She brought forth this bill as a request from the people of her district. These new Americans are from Sudan, Somalia, Old Yugoslavia, Mexico, Liberia and Texas. They are here to talk to you about a request they want to make dealing with the development of an in-state International Goods Trade Center.

Abednego Thomas, Board Member, Immigrant Development Center (IDC)

Testified in favor of SB 2313. Written testimony #1

Senator Bowman asked what exactly does this curtail as far as international trade. He asked him if they would be working with trade relations with other countries. Are they going to bring new products in? Are they going to export products out? Justify what this is all about.

IDC representative said this opportunity will give people who have the skills the opportunity to use these skills in this country. If a woman use to sew, she would open a store front to sew and use her talent. She said that they won't be bringing products from outside ND. We will use our talents to create new jobs.

Senator Warner asked what was in that spot or address before.

The building is called IDT and it is owned by four guys and has tenants.

Senator Warner asked if they would be displacing the tenants.

She said they would keep some of them.

Dawn Mayo, Assistant Planner, Fargo Community Development and Planning

Testified in favor of SB 2313. No written testimony.

She said that they have worked with this group for 5 years. They have a gap in funding and this bill would close the gap and allow them to sell their products. This International plaza is modeled along the same as in the Twin Cities Global Market. It is a fun place to visit and cultural ideas can be exchanged. Many new Americans arrive with the clothes on their back and this market will definitely help new Americans with job creation.

Daniel Granados, Board member of the IDC, testified in support of SB 2313. He is originally from Texas and worked in the beets and that is how he came to Fargo/Moorhead. He has lived here for the past 29 years. He grew up in Chicago and he had family entrepreneurs. He always wanted to start his own Mexican authentic restaurant. The area has never had 100% authentic Mexican restaurants. He graduated last year and has worked at Phoenix International for the last six years. He said that he has been with IDC for the last five years and has gone through training and they have their business plan ready and asked the committee to consider passing SB 2313.

Chairman Holmberg asked if this was the first time he testified before the ND legislature.

Mr. Granados replied yes.

Hadiza Asovic Murad - Cultural Diversity Resource Center

Testified in favor of SB 2313. No written testimony.

She explained her training that she received. She did training for an entrepreneur certificate. She did the research and then went to Wells Fargo and they helped with a business plan. The cost was \$200 to develop the business plan. SBA approved 80% of my \$150,000 loan. She could not come up with the rest of her loan because she had no history. She said that she was denied the Micro-loan. They told her they did not approve her loan for \$30,000 because she had no history. She said that she was just an immigrant, a first generation immigrant like your fathers and grandfathers. I want to work for my money. She said that we have the skills we just need opportunity. Let us be a healthy community members where we can create our businesses, hire our people and get them off of social services. She said that she wanted refugees to work just like she does.

Chairman Holmberg asked if the banks ever talk to her about the beginning entrepreneur loan program through bank of ND.

Discussion followed on trying to start a business and possibility of funding.

Chairman Holmberg said he would give her the contact information for the Bank of ND. He also explained to her and the group how the process would work.

Senator Wanzek asked if she still hadn't gotten her business up and running.

Ms. Murad said that after doing research, and working with local restaurants, the only obstacle was the loan. She said this is an opportunity for ND to learn more about the world. We want to bring culture and richness to the downtown. Right now it's a dead zone. We are creating jobs for our elderly and those on assistance.

Senator Wanzek asked have you run this by private business.

Hadiza Asovic-Murad answered that they have a saying, Balkans have ideas, and westerners have money. She said they cannot buy my ideas and she is trying to keep her ideas for herself.

Chairman Holmberg closed the hearing on SB 2313.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2313
February 17, 2011
Job # 14705 (Meter starting at 103:51)

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A committee vote on SB 2313 - a grant to an organization for the development of an in-state international goods trade center.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg opened the hearing on SB 2313 and said it dealt with the Instate International Goods Trade Center. There were some people here from Fargo that talked about some of the difficulties they've had in that area. The amount was \$250,000.

Senator Christmann moved Do Not Pass on SB 2313.
Senator Bowman seconded.

Senator Grindberg said he had some dialogue with the folks that are trying to get this off the ground. With their financial pro forma, it's difficult for this state to put funding into buying a building. He gave them his assurance that the work that will be done on the Commerce budget and any other related funding that perhaps there would be a tie there, but no promises from his view point. He told them he would not support a direct grant appropriation under the proposal they had. That would be the reason why he would vote no on this with the caveat that we will look for some options whether it's tying additional funds from the state of MN which is under way and or any local means that may be available.

A Roll Call vote was taken. Yea: 10 Nay: 3 Absent: 0
Motion carried.
Senator Grindberg will carry the bill.

Date: 2-17-11
 Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2313

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Christmann Seconded By Bowman

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner		✓
Senator Bowman	✓		Senator O'Connell	-	✓
Senator Grindberg	✓		Senator Robinson		✓
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 10 No 3

Absent 0

Floor Assignment Grindberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2313: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO NOT PASS (10 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2313 was placed on the Eleventh order on the calendar.

2011 TESTIMONY

SB 2313

Speakers for
SB 2313
1-31-11

Testimony of the Immigrant Development Center Attendance

Fowzia Adde, Executive director of the Immigrant Development Center.

Omran Mohamed, board member & Business operation and Technology Manger of the Immigrant Development Center.

Tia Thomas, Project Manager of the Immigrant Development Center.

Elfatih Mohamed, President of the Immigrant Development Center.

Fidela Jones, Board member of the Immigrant Development Center.

Daniel Granados, Board member of the Immigrant Development Center.

Hadiza ~~Asovic~~ ^{MURAD} Culture Diversity Resource Center, coordinator of the interpreter Center

Dawn Mayo, Assistant Planner, Community Development at City of Fargo ND

Arafath Ali, Somali Community Association

Ahmed Hussein, Multicultural Youth Development Center

Abednego Thomas, Board Member for the Immigrant Development Center

#1

Testimony of the Immigrant Development Center
15 1/2 8th ST South. Fargo, ND 58103
IN SUPPORT OF SB 2313 THE GRANT-IN-STATE INTERNATIONAL GOODS TRADE CENTER
BILL
January 31, 2011

Senator Holmberg and Members of the Committee, thank you for this opportunity to testify in Support of Senate Bill 2313, Grant-In-State International Goods Trade Center Bill.

My name is Abednego Thomas, Board Member for the Immigrant Development Center.

OR

Fowzia Adde, Executive director of the Immigrant Development Center

We are here today representing the organization to provide a background and show support for Senate Bill 2313. This bill will appropriate \$250,000 to the North Dakota Department of Commerce for completion of the International Market Plaza project in Fargo, North Dakota. This project will create a minimum of 57 new full time jobs and 16 businesses to be filled by low-income individuals, including TANF recipients, non-custodial parents, and immigrants and refugees. These jobs are in high-growth industries with wages between \$15,997 and \$31,599, offering career opportunities to earn substantial wages over time. Ultimately, this project leads to economic self-sufficiency and a reduced burden on public assistance.

The populations of immigrant were about 7%, last census increased to 10%. A 2002 study by North Dakota State University in Fargo estimated that a refugee family of four costs the taxpayers \$21,965 during the initial settlement period. That figure includes \$8,220 in Federal cash assistance, \$1,900 in food stamps, and \$11,200 in Medicaid, but does not include additional costs for education, job training, childcare and rental assistance. Assuming that only 25% of the 57 jobs created (or 14 jobs) will be filled by refugees during their settlement period the Federal government would save over \$300,000 as a result of this project.

The total cost of this project is \$965,800 and \$715,800 is currently secured. We have 16 tenants that are ready to occupy the International Market Plaza. Our financial plan demonstrates how the income generated by the tenant rents and fees cover the operational costs, including ongoing marketing activities, and wages with benefits for two cleaning and maintenance employees. Our financial plan projects income and expenses over a 7-year period and demonstrates stable profits and project sustainability. Marketing activities for

the International Market Plaza will ensure customer growth and keep costs low for the businesses.

The public and private financing for the development portion, as well as the technical assistance and management, allow us to offer the tenants below market rents and fees. These are lower costs to the businesses, as well as the International Market Plaza's ability to attract a greater number of customers as compared to a single storefront without any institutional support, result in sufficient revenue streams for each business to support their job creation plans.

As a neighborhood revitalization project, this project has key elements that support Fargo's Renaissance Zone Development Plan, those are as follows:

- Developing activity generating enterprises,
- Encouraging workable districts that integrate a wide range of activities and land uses, including cultural attractions,
- Utilize ground floor space for uses that will encourage streets to come to life – shops, offices, cafes, restaurants and other “public” facilities,
- Encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets,
- Design spaces, facilities and features that will attract people to the area both day and night, on weekdays and weekends, and during all seasons of the year, and
- Coordinate public and private efforts to ensure that projects enhance, rather than detract from the connectivity of the area. Strong connections between people, places and things to do are vital to creating a strong sense of community.

Therefore, I urge the committee to support Senate Bill 2313 for Grant-In-State International Goods Trade Center Bill, also known as the International Market Plaza. This concludes my testimony. Thank you.

International Market Plaza

Sources of Grant	Income	Status
OCS	687,000	Confirmed
MN Midwest CD Corp.	28,800	Confirmed
Other	250,000	Unconfirmed
Total	\$965,800	

Uses	Expenses	OCS Grant	In Kind	Other
Personnel	OCS Project Director	\$107,000		
	FICA/SUTA/WC	\$15,600		
Travel	Airfare	\$2,000		
	Hotel	\$900		
	Per Diem	\$360		
	AirPort Trans	\$240		
	Contractual	TA - MMCDC	\$28,800	28,800
	TA - NDC	30,000		
	Evaluations	20,000		
	Legal	20,000		
	A&E	40,000		
Acquisition	1345 Main Ave.	520,000	450,900	69,100
				180,900
Construction		180,900		0
Total	\$965,800	\$687,00	\$28,800	\$250,000