

2011 SENATE APPROPRIATIONS

SB 2364

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2364
February 1, 2011
13757

Conference Committee

Committee Clerk Signature *Rose Tanning*

Explanation or reason for introduction of bill/resolution:

A bill to provide grants to cities for commercial business improvement projects.

Minutes:

See attached testimony - #1

Chairman Holmberg called the committee hearing to order on SB 2364.
Becky J. Keller - Legislative Council; **Joe Morrissette** - OMB.

Senator Jim Doztenrod, State Senator, District 26
Bill Sponsor

This bill was introduced in the last session and passed the senate. It was in the Department of Commerce budget until the last two days of the session and then taken out so it did not pass. The easiest way to explain the bill is to read what the bill says:

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants of up to ten thousand dollars each to cities in the state with a population of fewer than five thousand for commercial business district improvement projects, for the biennium beginning July 1, 2011 and ending June 30, 2013. The department shall require a city receiving a grant to provide one dollar of matching funds for each dollar of state funds provided for the project. Grant funds and required city matching funds may be used only for the purchase of materials associated with the project. The department of commerce may develop grant criteria to best utilize the available funds.

Handed out a document from Department of Commerce – Programs and Services
See attachment #1.

He pointed out page 5 of the attachment and showed that within the Division of Community Services, they are working on avenues similar to this bill. There are Renaissance Zones and Block Grants - which encourage development. It gets at a problem that you notice when you drive through the state and go to the larger cities, they have city sales taxes and they are commercial hubs that draw in from a large area. They are able to generate the

kind of projects – the downtown projects and improvement and investment that gives the downtown and the commercial areas in the city a new look. The smaller communities are putting forth some good efforts to improve the look of their downtown, but generally, they need a little incentive. I think this would be attractive to communities that are trying to do this. The city of Lisbon is using their city sales tax and are trying to generate activity using city sales tax revenues to set up matching grants with businesses. They've created a business development district, a commercial downtown district. The city of Oakes has just completed a downtown project with new pavement, curbs and gutter and they haven't decided how to proceed, but one of their next steps is to renovate the downtown storefronts. They have 2000 or 2200 people.

If this bill becomes law, you would see noticeable improvements in these smaller communities and their downtown areas and it would really be a good use of public money in a matching way to create an environment where they feel motivated and feel like they're getting some help. We would see a good response if we were to have something like this in place. The bill is straight forward and not complicated and I ask for your support.

Senator O'Connell asked about Line 8 of bill. The wording "business district", would that have to be on main street?

Senator Dotzenrod said they tried to be specific, but the best they could come up with was commercial business district improvement projects. We thought the department, in administering this may want to have some very specific language on it, but I think it leaves latitude within a community for them to take a look and see where the activity is in their town. It has a limit of \$10,000 per grantee so it really can't be used in a way that completely overhauls or rebuilds anything significant, but it would be enough to do some storefront improvements which is what it is designed to do.

Senator O'Connell asked about line 12 where commerce "may" develop. Wouldn't you want it to be more positive and say "shall"?

Senator Dotzenrod replied that "may" puts the department in a position of being able to work with any cities that are interested. "Shall" would be more firmly directive to them, but I think it will work with "may".

Jerry Hjelmstad, (Lobbyist # 56), ND League of Cities

Testified in favor of SB 2364. Testimony attached - # 1.

In reviewing this bill we saw it as a way to provide some financial assistance to smaller communities that may not have the resources available to larger communities to work with downtown business improvement districts. We'd like to see this tried for a biennium to see what kind of interest is generated and give it a two year trial period.

Chairman Holmberg: Of the cities eligible, what is the largest city that would qualify for this bill if passed the way it is.

Jerry Hjelmstad said there are 12 cities that are over 5000 in population. Right below that we've got Grafton, Beulah which are just below the 5,000 mark.

Chairman Holmberg closed the hearing on SB 2364.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2364
February 17, 2011
Job # 14705 (Meter starting at 109:00)

Conference Committee

Committee Clerk Signature

Rose Pering

Explanation or reason for introduction of bill/resolution:

A committee vote to provide grants to cities for commercial business improvement projects.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg opened the hearing on SB 2364.

Senator Christmann moved Do Not Pass on SB 2364.
Senator Wardner seconded.

A Roll Call vote was taken. Yea: 11 Nay: 2 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. 2364

Senate Approp. 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 Wardner

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) 14 No 2

Absent 0

Floor Assignment Grindberg

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

REPORT OF STANDING COMMITTEE

SB 2364: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO NOT PASS (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2364 was placed on the Eleventh order on the calendar.

2011 TESTIMONY

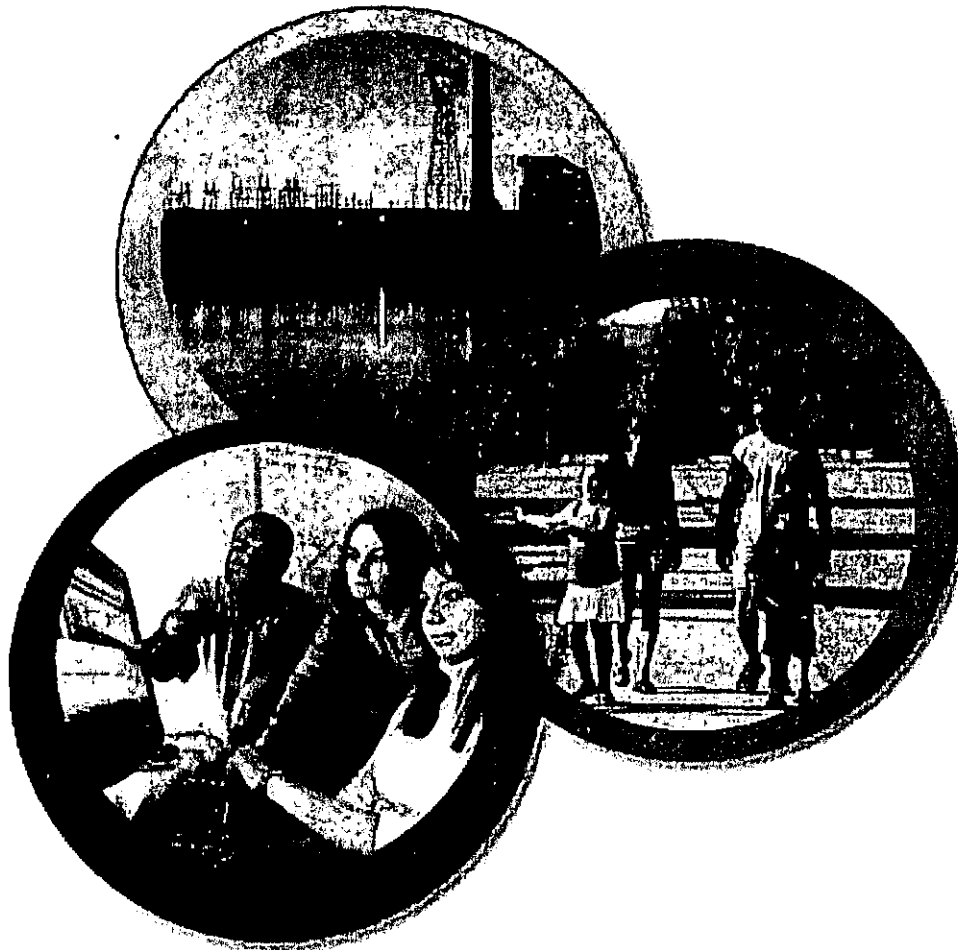
SB 2364

1

North Dakota

DEPARTMENT OF COMMERCE

AGRICULTURE • MANUFACTURING • TOURISM • ENERGY



PROGRAMS AND SERVICES

WORKING TO IMPROVE
THE QUALITY OF LIFE FOR
NORTH DAKOTA PEOPLE



Economic Development
Tourism
Workforce Development
Community Services
Ambassadors & Experience ND

The North Dakota Department of Commerce is the lead agency charged by the Governor and Legislature with growing our state and improving the quality of life for our people. Commerce currently provides over 50 programs and services to support business, workforce and community development in partnership with local leaders.

COMMERCE LEAD INITIATIVES:

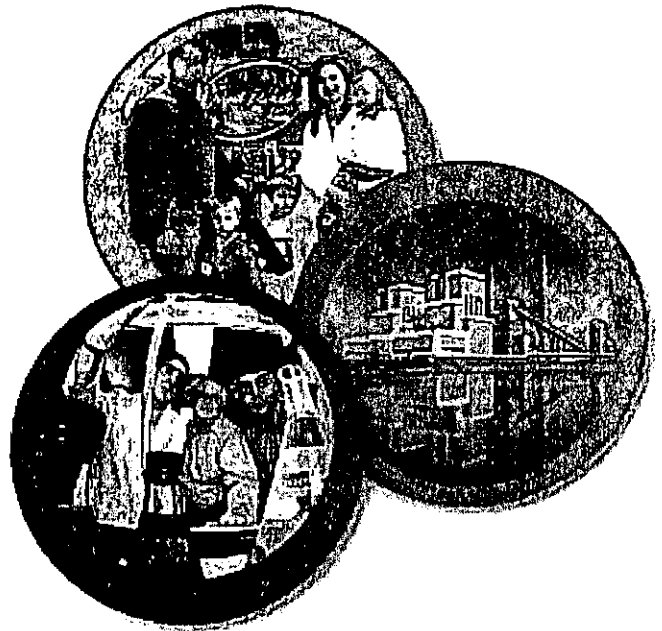
Business Hotline – Offers assistance to both existing and potential business (1-866-4DAKOTA).

Centers of Excellence – Invests in research and development at higher education facilities in partnership with the private sector to stimulate new business and job opportunities.

EmPower North Dakota – A Governor appointed 14-member commission, which includes representatives from all sectors of the energy industries, charged with recommending comprehensive policies to enhance the state's energy industry.

Renewable Energy Council – Provides funding for research, development, marketing and other activities to foster development of renewable energy including: wind, biofuels, biomass, solar, hydroelectric, geothermal, and hydrogen.

Workforce Congress – A bi-annual forum to discuss today's workforce issues and presents practical demand-driven solutions for workforce challenges.



ECONOMIC DEVELOPMENT

Business Development – Partners with communities on business development strategies to generate start-ups, expansions and new companies locating in North Dakota.

Business Retention and Expansion – Supports local efforts to retain and expand North Dakota's existing companies and facilitates new contract manufacturing relationships between in-state and out-of-state companies.

***Centers of Excellence** – Invests in research and development at higher education facilities in partnership with the private sector to stimulate new business and job opportunities.

***Innovate ND** – Provides online entrepreneur education, coaching and mentoring from proven business owners to help entrepreneurs successfully launch new businesses.

Research – Provides business information and market research including industry background, company background and demographics, as well as managing databases related to companies, communities and available buildings.

Working to expand and retain
North Dakota's businesses.
www.NDBusiness.com

www.NDBusiness.com – Online source of comprehensive current North Dakota business data for marketing and strengthening in-state business-to-business relationships.

Financing

Agriculture Products Utilization Commission (APUC) – A grant program to support new and expanded uses of North Dakota's agricultural products.

North Dakota Development Fund – Provides flexible gap financing through debt and equity investments for new or expanding North Dakota primary sector businesses.

North Dakota Rural Revolving Loan – Provides gap financing to primary sector businesses, with the exception of production agriculture, located in communities of 8,000 people or less.

***New Venture Capital Program** – Provides loan or equity funding for early stage, North Dakota-based companies which can show clear proof of completed product development and market acceptance as evidenced by growing sales.

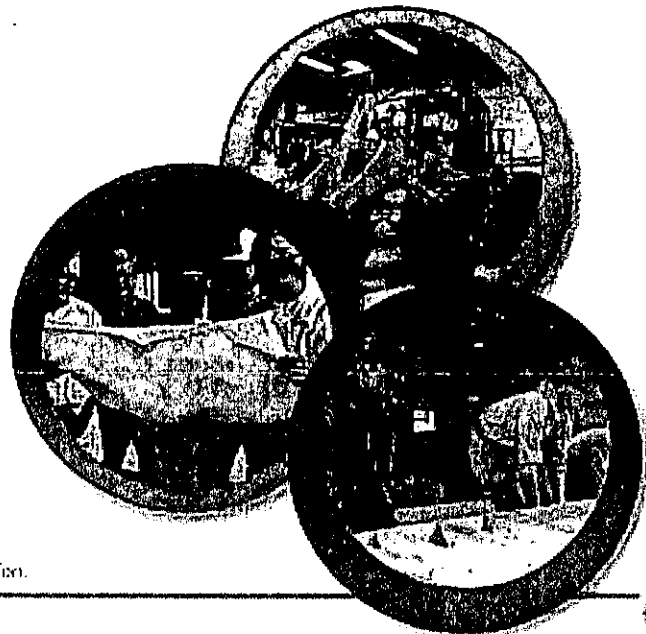
AMBASSADORS AND EXPERIENCE ND

Connecting people
and passion for the state.
www.ExperienceND.com

***Ambassadors Program** – Arms North Dakota's volunteer sales force with positive information about the state.

***Experience ND** – Connects people wishing to make North Dakota their home with help finding a job, networking and securing vital relocation information about schools, housing, and other community information necessary for smooth transitions.

***Knew View Image Enhancement** – Enhances the image of the state by educating North Dakotans with interesting facts and statistics about the state.



GRANT PROGRAMS

Supporting communities and business in their efforts to grow.
www.NDCommerce.com

Economic Development & Finance

***Partners in Marketing** – Provides grants of up to \$25,000 per biennium to local professional economic development organizations for marketing activities that promote primary sector business or workforce attraction, retention or expansion.

Workforce Development Division

***Workforce Enhancement Grants** – Provides funding for two-year colleges to develop or expand training programs which address the needs of business and industry in North Dakota. The grants require a dollar-for-dollar match from industry.

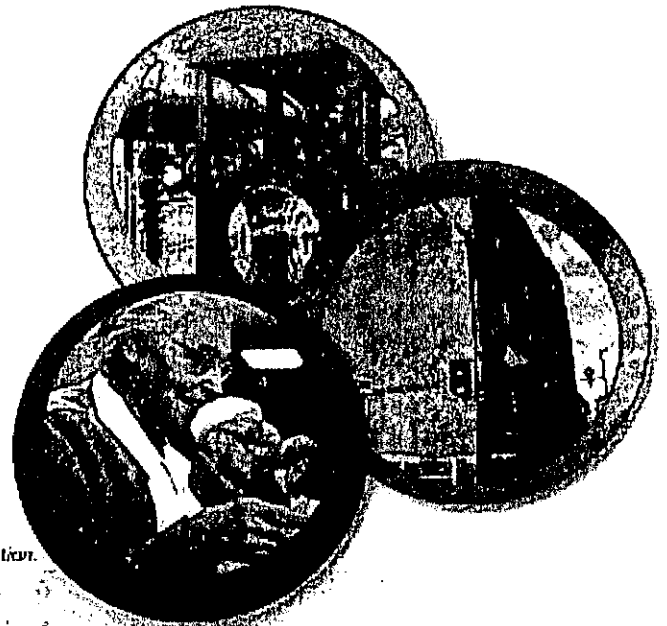
Community Services Division

Community Development Block Grants (CDBG) – Provides financial assistance to eligible units of local government to support housing, public facilities and economic development.

Tourism Division

***Tourism Infrastructure Grants** – Provides grants for local non-profit organizations to fund infrastructure and building needs at new or expanding tourist and recreational facilities.

Tourism Marketing Grants – Provides grants for tourism and community partners to expand their marketing or event promotions.



*Programs marked with an asterisk (*) have been launched since Commerce's inception.*

2009 Legislative Initiatives*

**The specific guidelines for these new legislative initiatives are under development and the following descriptions are preliminary.*

Child Care Provider Matching Grants

Matching grants to early childhood facilities for technical assistance and small infrastructure or equipment purchases.

Licensed Child Care Provider Loans or Grants Program

Financing for acquiring, leasing, or remodeling real estate facilities or for acquiring equipment for establishing or expanding a licensed early childhood facility.

Biofuel Blender Pump Grant Program

Cost-share grants of up to \$5,000 per pump to motor fuel retailers for the installation of biofuel blender pumps and associated equipment at retail locations.

Electrical Generators that Use Flare Gas from Oil Wells Grant Program

Assistance for the purchase and installation of electrical generators that consume at least 75 percent of the gas from oil and gas well sites that would otherwise be flared or wasted.

Operation Intern

Grants for North Dakota businesses to help create new internships and apprenticeships for North Dakota students.

Centers of Excellence Enhancement Grants

Provides grants to North Dakota's research universities for collaboration with private industry on research, development, demonstration, and commercialization of technology.

Technology-Based Entrepreneurship Grant Program

Grants to encourage the development of technology-based entrepreneurship within the state.



COMMUNITY SERVICES

Programs for community development, energy efficient housing and self-sufficiency.
www.NDCommunityServices.com

Americans with Disabilities Act – Provides technical assistance to private and public agencies to help them meet requirements and provisions of the ADA.

Building Codes – Updates and amends the North Dakota State Building code.

Community Services Block Grants (CSBG) – Provides assistance through Community Action Agencies to implement locally designed anti-poverty programs including emergency assistance, money management, housing counseling, self-sufficiency services, case management, and outreach and referral services to low-income individuals and families.

Consolidated Plan – Contains a description of the state housing and community development needs and resources, establishes strategies, and prioritizes the use of housing and community development dollars statewide.

Emergency Shelter Grants Program – Provides federal financial assistance to facilities and programs within North Dakota that provide temporary shelter to homeless individuals.

HOME Program – Creates partnerships between government and the private sector to support affordable housing for low-income individuals.

***Manufactured Home Installation Program** – Manages the inspection of new manufactured homes installed in North Dakota.

***Modular Buildings: Third-Party Inspection** – Manages inspection for modular residences.

***Office of Renewable Energy and Energy Efficiency** – Promotes energy efficiency in both the public and private sector, and facilitates the development and use of renewable energy sources within the state.

Renaissance Zone – Encourages reinvestment and redevelopment of downtown areas to attract new businesses and improve housing.

Weatherization Assistance – Increases the energy efficiency of dwellings owned or occupied by low-income individuals to lower their energy expenditures and improve their health and safety. www.ndwvap.com

*Programs marked with an asterisk (*) have been launched since Commerce's inception.*

2009 Legislative Initiatives*

**The specific guidelines for these new legislative initiatives are under development and the following descriptions are preliminary.*

Individual Developer Accounts

Matching funds to participating community action agencies to eligible individual development accounts.

EmPower North Dakota Energy Policy

Guides the state's efforts in the development of traditional and renewable energy through a comprehensive energy policy.

Renewable Energy Council

Recommends to the state Industrial Commission the funding of grants through the Renewable Energy Program.

Entrepreneurship Awards

Funding for business incubators and entrepreneurs.

Certification

Provides primary sector certification to businesses in order to access economic development incentives as well as other specific tax credit certifications including microbusiness, research and development, seed capital investment, agricultural business investment, and angel fund investment tax credits.

Life Science Certification

Provides certification to life science companies that own or operate an animal or research facility to indicate that the company does not violate North Dakota's anti-corporate farming laws.

Local Economic Developer Certification and Education Programs

Partners with the Economic Development Association of North Dakota to provide certification and education programs for local economic developers and community leaders.



Promoting North Dakota as a
legendary vacation destination.
www.NDTourism.com

Advertising and Marketing – Promotes North Dakota and its Legendary brand through development and distribution of promotional materials, e-marketing, mixed media advertising involving print, radio, TV, online, direct mail and display. The web site is evolving to provide planning information and interactive tools for visitor use. Cooperative advertising opportunities are also developed and distributed with state partners.

***Culture and Heritage Marketing** – Highlights and celebrates the state's regional differences, unique history, ethnic cultures and more statewide, also involves promotion of the Lewis & Clark Trail.

Group Travel – Provides assistance for groups, preparing them for their adventure through North Dakota with planning, expanding or building tours within the state.

International Travel – Promotes the state in the Nordic countries of Norway, Sweden, Denmark, Finland and Iceland, Germany, as well as Australia.

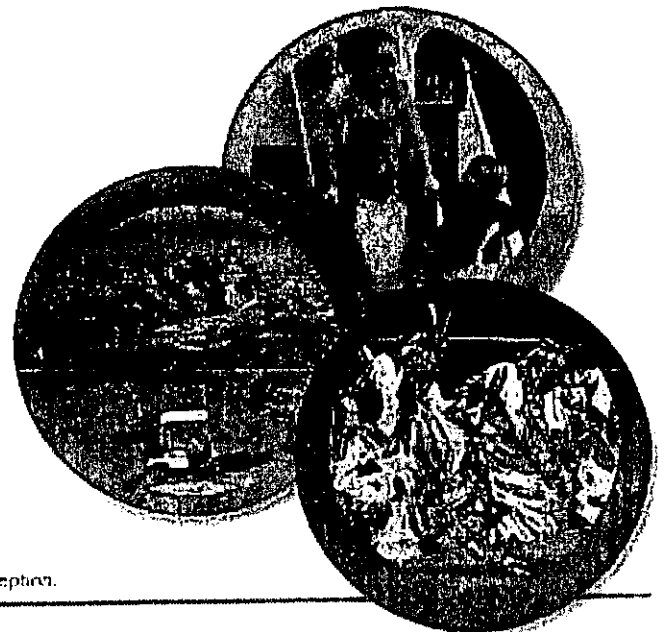
***Education Vacations** – Caters to groups or individuals looking to combine fun and learning into their customized North Dakota vacation.

Literature Distribution – Distributes brochures, guides, maps and more through tourism industry partners at highway rest areas and via the web site to potential state visitors.

Outdoor Promotions – Promotes the state's outdoor activities and adventures through representation at sport shows, working with adventure writers and through niche publication advertising.

Public and Media Relations – Provides complete information of what North Dakota offers to the media and visitors through news releases, familiarization tours and web site presence. Proactively encourages feature stories and works with writers and photographers on their North Dakota stories.

North Dakota
LEGENDARY



Programs marked with an asterisk (*) have been launched since Commence's inception.

WORKFORCE DEVELOPMENT

Working to ensure employers
have access to a skilled talent pool.
www.NDWorkforce.com

***AmeriCorps** – Engages volunteers in direct service to help communities address unmet needs in the areas of education, public safety, health and the environment.

***Career Promotion** – Develops a comprehensive, integrated network of state agencies, education, businesses, trade associations and organized labor to create career promotion services for students, parents and teachers to raise awareness of North Dakota career opportunities.

***Community Labor Availability Studies** – Provides matching funds to communities who participate in Standardized Community Labor Availability Studies, which identify core data elements.

***Experience ND** – Connects people wishing to make North Dakota their home with help finding a job, networking and securing vital relocation information about schools, housing, and other community information necessary for smooth transitions.

***Industry Sector Workforce Needs and Skill Assessments** – Provides matching funds to industry trade associations who participate in Standardized Workforce Needs and Skill Assessment Studies to identify current and projected skill shortage occupations and the required education, skills and competencies.

***Jobs for America's Graduates (pilot program)** – Provides a structured curriculum and mentoring program for at risk youth to keep them in high school through graduation and provide them with work-based learning opportunities.

***North Dakota Talent Initiative** – Improves training and education programs to expand, attract and retain individuals, as well as help them gain the skills needed to fill available job opportunities.

***Office of Faith-Based and Community Initiatives** – Connects faith-based and community organizations with resources to help address critical local community service gaps in areas such as workforce, education, public safety, health and the environment.

***Operation Intern** – Grants for North Dakota businesses to help create new internships and apprenticeships for North Dakota.



***State Commission on National and Community Service** – Connects North Dakotans with community service organizations to help address critical local issues or problems in areas such as education, public safety, health and the environment.

Workforce Development Council – Supports efforts to increase employment, retention, earning, and occupational skills to improve workforce quality, reduce welfare dependency, and enhance productivity and competitiveness through statewide and local workforce investment systems.

***Workforce Intelligence Council** – Improves workforce intelligence coordination.

Youth Development Council – Recommends youth employment and training policy.

PARTNER PROGRAMS

Agencies promoting North Dakota alongside Commerce.

***American Indian Business Development Office** – Connects American Indian business owners with more avenues to grow their businesses and create new jobs on and off various reservations located throughout North Dakota.
www.americanindianbusiness.com

Center for Technology and Business – Partners with individuals, businesses, communities, local and state agencies, job development authorities and nonprofit organizations to provide simplified technology curriculum, training and services.
www.trainingnd.com

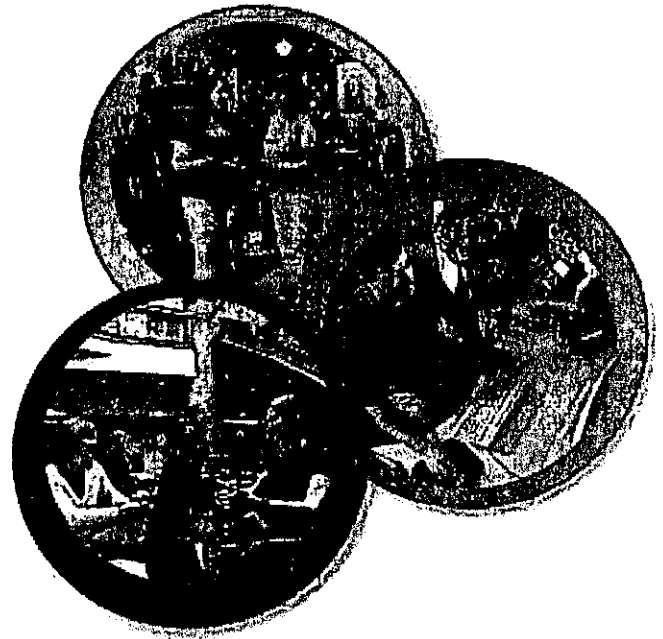
Dakota Manufacturing Extension Partnership – Provides manufacturers quick, cost-effective solutions to challenges.
www.dakotamep.com

North Dakota Rural Development Council – Furthers collaboration and partnerships among federal, state, local, and community based organizations to ensure that benefits from state and federal programs are equally available to rural communities.
www.ndrfdc.com

***North Dakota Trade Office** – Identifies export markets best suited for the products and services of North Dakota companies by conducting international market research and collaborating with the state universities, state and federal government agencies and private export service professionals. www.ndto.com

Small Business Development Centers – Provides high-quality assistance to help individuals start, manage and grow their businesses resulting in job creation, retention and economic wealth. www.ndsbsdc.org

*Programs marked with an asterisk (*) have been launched since Commerce's inception.*



North Dakota
DEPARTMENT OF COMMERCE

1600 E. Century Avenue, Suite 2 • PO Box 2057 • Bismarck, ND 58502-2057
Phone: 701-328-5300 • Fax: 701-328-5320 • Business Hotline: 1-866-4-DAKOTA • www.NDCommerce.com