



COVID-19 Recovery & Response: An Economic Resiliency Strategy for Northeastern North Dakota

Developed July 2020 to April 2022

Red River Regional Council
Resiliency Team Report

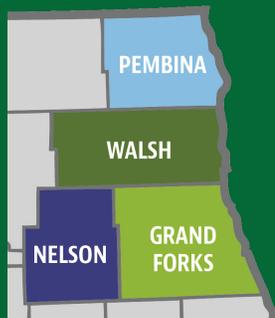
This plan has been made possible by supplemental funding from the US Department of Commerce Economic Development Administration with funds appropriated through the CARES Act in spring 2020 in a federal response to the COVID-19 nationwide disaster.





Economic Resiliency

STRATEGY FOR THE FUTURE | APRIL 2022



The Red River Regional Council is a non-profit, quasi-governmental organization that serves as the economic development organization for Region 4, which includes 42 communities and the counties of Pembina, Walsh, Nelson, and Grand Forks in northeastern North Dakota. The RRRC brings together public and private partners to support business growth, revitalize Main Streets, and develop vibrant communities where people can live, work, learn, visit, and play for generations.



We are committed to growing and nurturing a vital and resilient regional economy that is competitive and sustainable. We achieve this by expanding partnerships, developing and connecting resources, and building the infrastructure systems that enhance workforce and entrepreneurial development, create safe and smart places to live and work, and advance the goals and futures of businesses, communities, and the region as a whole.



Board of Directors

The Red River Regional Council is one of eight regional councils and Economic Development Districts (EDDs) as designated by the U.S. Economic Development Administration (EDA), a bureau within the U.S. Department of Commerce. The RRRC works in partnership with the counties, communities, and businesses within EDD Region 4, which includes Pembina, Walsh, Nelson, and Grand Forks counties in northeastern North Dakota.

The RRRC is governed by a 15-member board of directors, which includes mayors, city representatives, county commissioners, local job development corporation members, private business owners, chambers of commerce leaders, educators, and a liaison from Job Service North Dakota. The nonprofit, quasi-governmental organization employs an executive director, three full-time staff members, and two part-time employees.

Executive Committee

Chris Lipsh, President
Cynthia Pic, Grand Forks County Commission, Vice President
Mike Dunn, Private Sector, Treasurer
Dawn Mandt, Secretary
Dan Stenvold, Walsh County Mayor, Past President
Barry Wilfahrt, Private Sector

Board Members

Gerald Uglem, Grand Forks County Mayor
Bret Weber, City of Grand Forks
Todd Whitman, Nelson County Mayor
Korrey Tweed, Nelson County SCD
Steve Forde, Nelson County Commission
Ernie Barta, Walsh County Commission
Lacey Hinkle, Pembina County Mayor
Nick Rutherford, Pembina County Commission
Mary Houdek, Job Service North Dakota
Michael Helt, Banking

The Red River Region - Region 4 Northeastern North Dakota



Region 4 includes Pembina, Walsh, Nelson, and Grand Forks counties and has a combined 2020 population of 93,592 people.

Located in the northeast corner of North Dakota and bordering Canada, this beautiful area is home to 41 rural communities and the metropolitan area of Grand Forks, and is characterized by fish-filled lakes, tree-lined rivers, fertile farmlands, and the rugged hills of the Pembina Gorge.

The main industries include health care, education, agriculture, manufacturing, and tourism/recreation.

The Team



Dawn Mandt, Executive Director

Dawn brings more than 30 years of rural economic development experience to her role as executive director, which she has held since 2013. Dawn and her team have developed a track record of success in bringing community and regional partners together to develop, win funding for, and implement key projects, earning recognition as the Governor's Choice for Small Cities Economic Developer of the Year and the SBDC State Star. Dawn serves on the ND Association of Regional Councils, ND Rural Development Council, ND Council on the Arts, Pembina Gorge Foundation, and the Rendezvous Region Tourism Council. She has a Bachelor of Arts in business administration/economics and history/political science and a Master of Arts in leadership from the University of Jamestown.



Stacie Sevigny, Developer

Stacie provides critical leadership and expertise to counties, communities, and the RRRC's partnering organizations in the areas of community development, infrastructure improvement, disaster planning, housing rehabilitation, destination development, and grant writing. She is the program leader for the Community Development Block Grant program, and the Nelson County JDA. She serves on the ND Council on the Arts: Arts Across the Prairie program. Since 2014, Stacie has been a leader for the RRRC in communication and program management. She has a Bachelor of Arts degree in English with a minor in mass communications from North Dakota State University.



Lori Estad, Office and Fiscal Manager

In her role, Lori organizes and coordinates office operations and procedures, and serves as the organization's fiscal manager. She also administers the RRRC's extensive loan portfolio and is the financial program manager. In 2021, Lori celebrated 25 years at the RRRC. Lori's professional and technical expertise ensures that the RRRC and its partners are in compliance with the regulatory and reporting requirements for state and federal grants. Lori holds an Associate Degree in receptionist/data processing from Aaker's Business College.



Kendra Rosencrans, PhD, Resiliency Specialist

Kendra provides research analysis and technical support in economic resiliency, strategic systems change, grant writing, and communication. A former national award-winning journalist recognized for her reporting on complex rural issues, she brings professional and technical expertise in data storytelling to her work at RRRC. Kendra has a Doctor of Philosophy degree in complex organizational systems from Saybrook University, a Master of Science degree in journalism from Columbia University, and a Bachelor of Science degree in mass communications from North Dakota State University. She is also an instructor in the Master of Arts in Leadership program at the University of Jamestown.



Cheryl Osowski, Special Projects Coordinator

As special projects coordinator since 2014, Cheryl works with RRRC partners in strategic planning, communication, program management, and grant writing. She brings extensive experience in coalition building, trade, and economic development to the RRRC from her work as an outreach coordinator with the University of North Dakota for 17 years, and past work with the Red River Trade Corridor at the U of M – Crookston. Cheryl has a Bachelor of Science degree from the University of Minnesota - Crookston.



Jake Wiensch, Developer

During his term as a developer at the RRRC funded through the CARES Act, Jake led the Business Retention & Expansion program, supported the Pembina & Nelson County JDAs, and assisted with the Destination Red River & kitchen incubator projects. He has a bachelor's degree in Economics with a minor in Geographic Information Systems (GIS) from the University of Wisconsin-Stout.



A message from the Red River Regional Council Resiliency Team

The COVID-19 pandemic has had a profound impact on businesses and workers across the 42 communities and four counties in the Red River Region, across our state, country, and globe. The Resiliency Team was established by Red River Regional Council Executive Director Dawn Mandt and Red River Regional Council Board President Chris Lipsh to understand the impact of COVID-19 pandemic on the region's employers, employees, and communities, and to focus and prioritize economic and community development efforts on economic recovery and resiliency building.

The Team, working closely with area businesses, the Northeast Manufacturing Group, the Rendezvous Region Tourism Council, North Valley Career and Technology Center, county Job Development Authorities, and city and county elected leaders, understands the hardships of small businesses and workers across the Red River Region as a result of the pandemic. Disaster recovery is, unfortunately, a familiar process in this region, which has experienced 30 federally declared weather disasters in 30 years -- more than any other economic region in North Dakota. 2022 marks the 25th anniversary of the most expensive of those disaster events: the 1997 Red River flood. The impacts of multiple, concurrent, and sequential disasters, including the pandemic, have cost our region billions due to damages to infrastructure, crops, businesses. What we also discovered is that ongoing disaster recovery takes a toll on the future, on the businesses and community improvements that never get started, because of the diversion of money, time, leadership, and effort toward disaster recovery and mitigation. Prioritizing economic resiliency along with recovery and revitalization is key.

The Economic Resiliency Strategy presented here addresses pandemic impacts and the challenges of building resiliency throughout the region so that communities and the regional economy are better able to withstand, recover from, and rebound after future disasters. The plan was adopted by the Red River Regional Council Board of Directors on April 20, 2022. In addition to responding to immediate impacts caused by COVID-19, the report also provides details related to the exceptional local community, county, and regional projects that have been funded and implemented to support economic resiliency.

We would like to thank all our regional partners for their tremendous work in developing this report that provides a path for the region's economic recovery and resiliency building. And, we look forward to working together so that every resident, business, and community in the Red River Region has the opportunity to prosper.

Dawn Mandt
RRRC Executive Director

Chris Lipsh
RRRC Board President





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Introduction

In 2020, RRRC received \$400,000 from the EDA through the federal Coronavirus Aid Relief and Economic Security (CARES) Act. The CARES Act provided emergency relief funding to workers, businesses, industry sectors, and levels of government hit hard by the COVID-19 virus and economic crisis.

The purpose of the supplemental financial assistance award was to enable the RRRC to continue operations during the pandemic, particularly in its role as a regional leader for economic disaster response, recovery, and post-pandemic economic development.

The items in this report present the short-term and longer-term goals, strategies, projects, and opportunities for economic development that the RRRC developed and executed in response to the COVID-19 economic disaster. This report describes the actions and outcomes from the Red River Regional Council's disaster response and recovery plan, and presents its strategic development plan aimed at building greater capacities for economic resiliency throughout the region.

The RRRC used CARES Act funding to:

- continue operations,
- increase staffing and capacity,
- to develop and implement a COVID-19 Disaster Response Plan,
- to hire additional technical assistance,
- to support large-scale funding applications for critical regional projects, and,
- to develop a strategic economic development & resiliency plan for the future that aligns with its current Comprehensive Economic Development Plan (CEDS), but is informed by the unusual and devastating economic impacts from the COVID-19 pandemic on the region, and, incorporates strategies aimed at building economic and community resiliency so that the region can develop the capacities to withstand, bounce back from, and adapt to future challenges, shocks, and change.

While the COVID-19 pandemic caused considerable economic distress, the federal and state financial responses to the crisis created considerable opportunities to engage in partnerships and projects aimed at catalyzing economic rebound and resiliency.



Major Projects

In 2020 and 2021, the RRRC led and/or supported these significant projects that benefited from the extraordinary funding opportunities resulting from the CARES Act, the American Rescue Plan Act, and more, resulting in:

- 1. The first-ever 4-county Business Retention & Expansion Program.** The BR&E launch involved 130 business interviews and a regional business impact survey, and resulted in 6 public forums engaging more than 500 stakeholders, as well as 2,000 plus views on social media. The program contributed to documenting the economic impacts of the pandemic on the region's businesses and communities, and served to identify needs and opportunities for recovery. Participants in the public forums engaged in developing prioritized ideas and actions aimed at a stronger future for businesses and communities.
- 2. The Red River Regional Council's COVID-19 Disaster Response Initiative and the Economic Resiliency Strategy.** Using CARES Act funding, the RRRC used a variety of disaster resources to immediately respond to the economic impacts on regional businesses. The RRRC also engaged in research to identify economic impacts, business and community needs, strengths, weaknesses, and opportunities, to develop the Economic Resiliency Strategy presented in this report.
- 3. \$1.26 million Catalyst Fund loan funded by EDA as result of the CARES Act** for start-up costs, capital improvements, and more. Through this new fund, 15 regional businesses in 7 rural communities that were injured or delayed by the pandemic were awarded 1% loans to help them launch, stabilize, or expand their operations. The fund was created by the State of North Dakota using CARES Act funding to create the North Dakota Catalyst Fund as an emergency loan program, allocating a portion of fund to each economic region to rapidly assist new and existing businesses harmed by shutdowns and other unexpected events with working capital or financing for equipment.
- 4. Destination Red River Region.** Resiliency development requires communities to participate in assessing their current condition and to identify a collaborative vision that guides their actions and investments toward a stronger, more economically diverse, future. The RRRC and regional partners engaged communities, businesses, and tourism industry partners in this work through 12-month destination development process facilitated by Roger Brooks International that required assessing communities in terms of workforce attraction, tourism & visitor attraction, and resident retention & attraction. By focusing on destination development and placemaking, communities developed multi-year action plans to invest in a variety of factors that improve residential, business, and visitor experiences. The process has produced more than 2,000 photos, engaged residents in 41 communities, and captured more than 1,000 insights from regional surveys.
- 5. \$2.17 million EDA ARPA Travel, Tourism, & Outdoor Recreation grant and \$900,000 State grant** awarded to the Pembina Gorge Foundation for critical updates to the facility and its snow-making infrastructure at Frost Fire Park. This project will create 23 jobs. Founded as a family business in 1976, the facility was purchased by the nonprofit Pembina Gorge Foundation in 2017. Frost Fire Park is a regional asset for quality of life and a keystone economic attractor for the region's travel and recreation industry. During the pandemic, dedicated local residents volunteered to keep the ski and bike area operating safely. As a result, the recreation area managed to survive financially and enjoyed a resurgence of local and regional visitors. Frost Fire is the only ski, bike, theatre, and restaurant in the Pembina Gorge, a uniquely rugged natural area, and is the only such recreation area for more than 150 miles in any direction, which makes it a keystone business for the region's growing tourism and outdoor recreation industry.
- 6. Preliminary EDA approval for a \$1.6 million ARPA grant matched with \$551,000 of nonfederal funds** to fund a business incubator with a commercial kitchen and digital worker/innovation space in Grafton, ND. The proposed 532 Hill Kitchen & Co-Lab would create the region's only commercial kitchen, a critical resource that food-based entrepreneurs need to develop and scale businesses into the retail market. Equipped with 1-gigabit broadband internet technology, 532 Hill would also offer space and programming aimed at fostering e-commerce skills, digital entrepreneurship, and technology-based start-up businesses.
- 7. \$9.45 million expansion of the North Valley Career & Technology Center, involving multiple state, city, school, and public and private partners.** The expansion includes 11,500 sq. ft. addition in Grafton, classrooms in Minto, greenhouse in Park River and establishing a new satellite site in the City of Cavalier in Pembina County, increasing vital access to vocational and technology training for high school students and adults. These new facilities will provide critical future workforce and future business development education, training, and services.

Rural Economic Recovery & Resiliency

Resiliency framework



While 2022 marks two full years since the COVID-19 pandemic disaster declaration, for the Red River Region, 2022 also marks the 25th anniversary of the worst flooding disaster in state history: The 1997 Red River flood that caused more than \$4 billion in damages and forced the evacuation of more than 100,000 people in North Dakota, Minnesota, and Manitoba, Canada.

Recovery and resiliency are familiar territories here in the Red River Region. The people, businesses, and communities in this beautiful agricultural area, dotted with classic small towns, lakes, rugged hills, and scenic vistas, have endured, and rebounded from, nearly 30 federally-declared natural and economic disasters, including COVID-19, over the past 30 years.

The frequency of disasters that reach federal-level declarations gives the people, leaders, governments, and communities significant experience with the processes for disaster planning, recovery, and mitigation.

The region's social and civic fabric, its strengths in healthcare, education, and in problem-solving, provide its residents with connections and community-level resiliency that is above average, according to the Community Resilience Estimates developed by the U.S. Census.

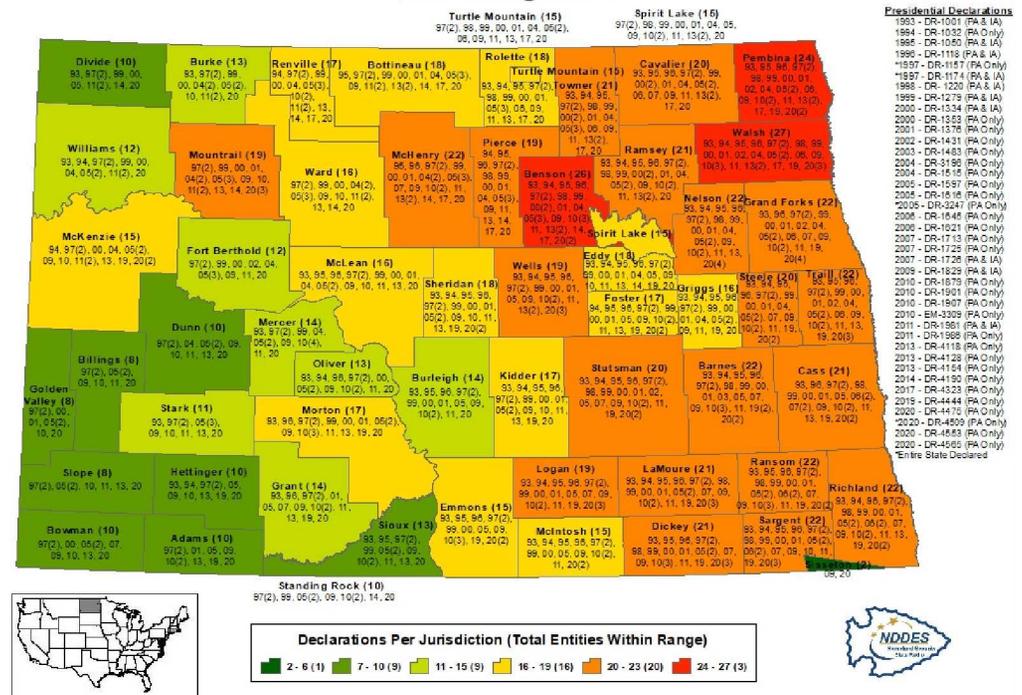
Economic resiliency and community resiliency are interdependent.

Community resiliency is the capacity of individuals and households to absorb, endure, and recover from the health, social, and economic impacts of a disaster such as a hurricane or pandemic.

The estimate of resiliency is based on factors that determine overall health, employment, social well-being, and civic connectedness of people in a community and region, such as age, poverty, employment, percentage of people with disabilities, percentage of people with health insurance, access to transportation, and other indicators.

A resiliency strategy identifies investments, projects, actions, relationships, and activities that strengthen capacities and resources in a community/region. By investing in trust, communication, essential and community infrastructure, and quality of life issues, and by addressing gaps, needs, and vulnerabilities, a community/region is better prepared to withstand and recover fully from shocks or disasters.

**North Dakota Presidential Disaster Declarations
1993 Through 2020**



| NATIONAL DISASTER RECOVERY FRAMEWORK | | | |
|--------------------------------------|--------------------|---|---|
| NATIONAL RESPONSE FRAMEWORK | | | |
| PREPAREDNESS Ongoing | SHORT-TERM Days | INTERMEDIATE Weeks-Months | LONG-TERM Months-years |
| | | Planning, resilience & capacity building, preparedness exercises, partnership building, protocols, etc. | Mass care & sheltering, clear transportation routes, business support, emergency medical care, etc. |

Figure 3: Recovery Continuum (adapted from FEMA, 2011, p.8)

Rural Economic Recovery & Resiliency

Resiliency framework

The people who live in the 42 communities of the Red River Region provide the strength, leadership, energy, and work for resiliency.

The Community & Regional Resilience Institute (CARRI) expands on these characteristics:

"[A] resilient community is defined as one that anticipates problems, opportunities, and potentials for surprises; reduces vulnerabilities related to development paths, socioeconomic conditions, and sensitivities to possible threats; responds effectively, fairly, and legitimately in the event of an emergency; and recovers rapidly, better, safer, and fairer." (Wilbanks, 2008, p. 10).

In developing its economic disaster response plan, its recovery strategy, and its resiliency-focused economic development plan for 2022-2024, the Red River Regional Council and Resiliency Task Force were guided by FEMA's National Disaster Recovery Framework (2016), the National Response Framework (2019), and by the EDA's many resources on economic resiliency. The National Disaster Recovery Framework offers a flexible structure and guiding principles aimed at helping communities and regions restore, redevelop, revitalize, and create resiliency within, their health, social, economic, natural, and environmental systems.

There are two processes underneath this recovery and resiliency framework:

- One that focuses on critical infrastructure and environment;
- One that focuses on building the capacities of leaders and communities so that they are able to withstand, recover from, learn from, and rebound to bring about full community and economic thriving -- based on the community's future vision. (Dabson et al, Regional Resilience: RUPRI Rural Futures Lab, 2011; FEMA, 2011).

In the face of the challenges and changes wrought by the COVID-19 pandemic disaster, the overall health and connectedness of people, business, and communities of the Red River Region provide the strength and resiliency needed to cope, recover, respond; to help neighbors, bring creativity to new problems, and invest in a more resilient economic future.





Economic & Resiliency Profiles

Pembina, Walsh, Nelson, & Grand Forks Counties

April 2022

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Resiliency Team Report



Grand Forks County Economic & Resiliency Profile



(<https://www.statsamerica.org>; <https://www.census.gov>)

Emerado | Gilby | Grand Forks | Inkster | Larimore | Manvel | Niagara | Northwood | Reynolds | Thompson

Green = factors that increase resiliency
Red = factors that decrease resiliency

| | | | | | |
|---|--|--|---|--|----------------------------------|
| 72,705 Total Population (2021) | 8.7% % Growth since 2010 | 30,779 Total Households | 2.16 Ave. Household Size | 29.7 Median Age | 81.1% Internet at Home |
| \$50,606 Average wage per job in 2020 Rank in US: 618 of 3,143 | \$57,388 Median Household Income Rank in US: 1,167 of 3,143 | \$57,659 Per Capita Annual Income 2020 Rank in US: 533 of 3,143 | 35.6% % of Residents with a Bachelor's Degree or Higher | 11.2% Poverty Rate for Children under 18 | |

Number of Business Establishments: 2,341

Labor Force (2021)

- Total Labor Force: 36,730
- 5-Year % Change: -1.3%
- 10-Year % Change: -3.2%

Largest Industries by Share of Employment (2020)

- Health Care & Social Services
- Retail Trade
- Accommodation & Food Services
- Manufacturing
- Construction

Largest Industries by Share of GDP (2020)

- Government Services (22%)
- Finance & Insurance (16%)
- Education (13%)
- Health Care & Social Services (13%)
- Real Estate (12%)

Annual Average Earnings Private Industries (2020)

- Utilities: \$108,417
- Management: \$91,807
- Finance & Insurance: \$84,206
- Professional Services: \$76,541
- Mining: \$69,586

Largest Employers

- Sanford Health
- Walmart
- Catholic Health Initiatives
- Altru Health System
- Doosan Bobcat

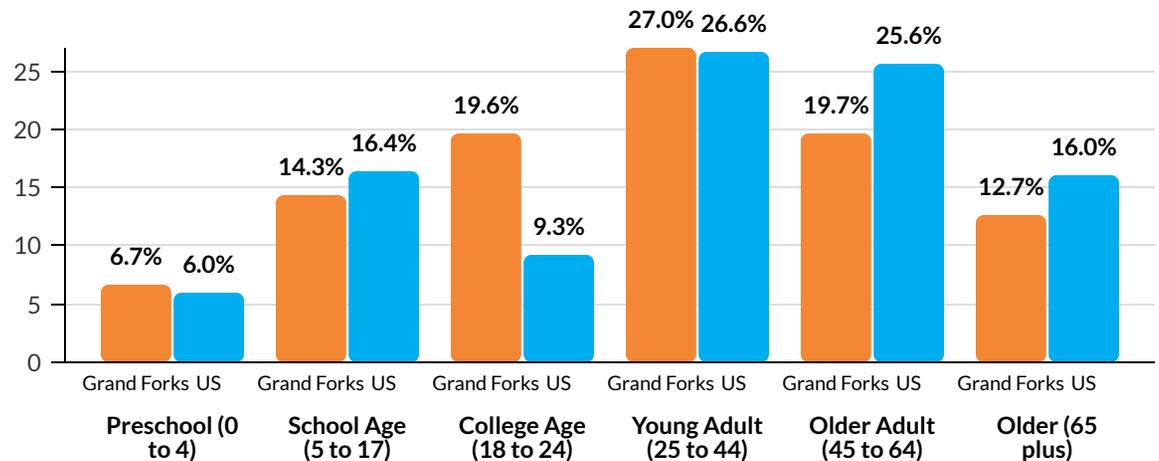
Population Change 2020-2021

- -650 net migration (moving in/out)
- 861 births
- 572 deaths
- Net change: -361

Ethnicity

- 70.4% White
- 18.2% Hispanic/Latino (includes people with more than one ethnic heritage)
- 12.6% Black

Age of Grand Forks County Residents compared to US



Nelson County Economic & Resiliency Profile



(<https://www.statsamerica.org>)

Aneta | Lakota | McVilleville | Michigan | Pekin | Petersburg | Tolna

Green = factors that increase resiliency
Red = factors that decrease resiliency



Number of Business Establishments: 161

Labor Force (2021)

- Total Labor Force: 1,398
- 5-Year % Change: -7.1%
- 10-Year % Change: -17.5%

Largest Industries by Share of Employment (2020)

- Health Care & Social Services
- Wholesale Trade
- Government
- Agriculture
- Retail Trade

Largest Industries by Share of GDP (2020)

- Agriculture (37%)
- Finance, Real Estate (16.9%)
- Wholesale Trade (13.8%)
- Government Services (9.1%)
- Education, Health Care (7.3%)

Annual Average Earnings Private Industries (2020)

- Admin & Waste Services: \$58,128
- Wholesale Trade: \$55,791
- Professional Services: \$52,979
- Agriculture: \$45,931
- Health Care & Social Services: \$33,345

Largest Employers

- Nelson County Health System
- Good Samaritan Society
- Dakota Prairie School District #1
- Nelson County
- Aneta Parkview Health Center

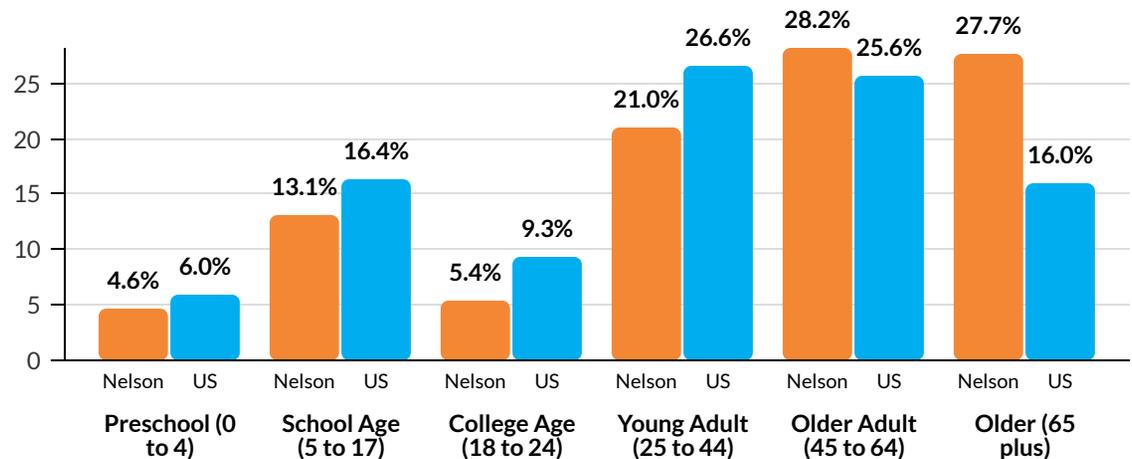
Population Change 2020-2021

- 90 net migration (moving in/out)
- 23 births
- 43 deaths
- Net change: 67

Ethnicity

- 92.7% White
- 3.8% Hispanic/Latino
- 3.5% Two or more race groups

Age of Nelson County Residents compared to US



Pembina County Economic & Resiliency Profile

(<https://www.statsamerica.org>)



Bathgate | Canton City (Hensel) | Cavalier | Crystal | Drayton | Hamilton | Mountain | Neche | Pembina | St. Thomas | Walhalla

Green = factors that increase resiliency
Red = factors that decrease resiliency



Number of Employer Establishments: 388

Labor Force (2021)

- Total Labor Force: 3,386
- 5-Year % Change: -5.4%
- 10-Year % Change: -16.0%

Largest Industries by Share of Employment (2020)

- Manufacturing
- Agriculture
- Government
- Health Care & Social Services
- Wholesale Trade

Largest Industries by Share of GDP (2020)

- Agriculture (37%)
- Finance, Real Estate (16.9%)
- Wholesale Trade (13.8%)
- Government Services (9.1%)
- Education, Health Care (7.3%)

Annual Average Earnings Private Industries (2020)

- Utilities: \$94,099
- Construction: \$76,898
- Management: \$75,427
- Manufacturing: \$53,056
- Professional Services: \$73,866

Largest Employers

- American Crystal Sugar
- US Department of Homeland Security
- Pembina County Memorial Hospital
- North Border Public School District
- Cavalier Public School District

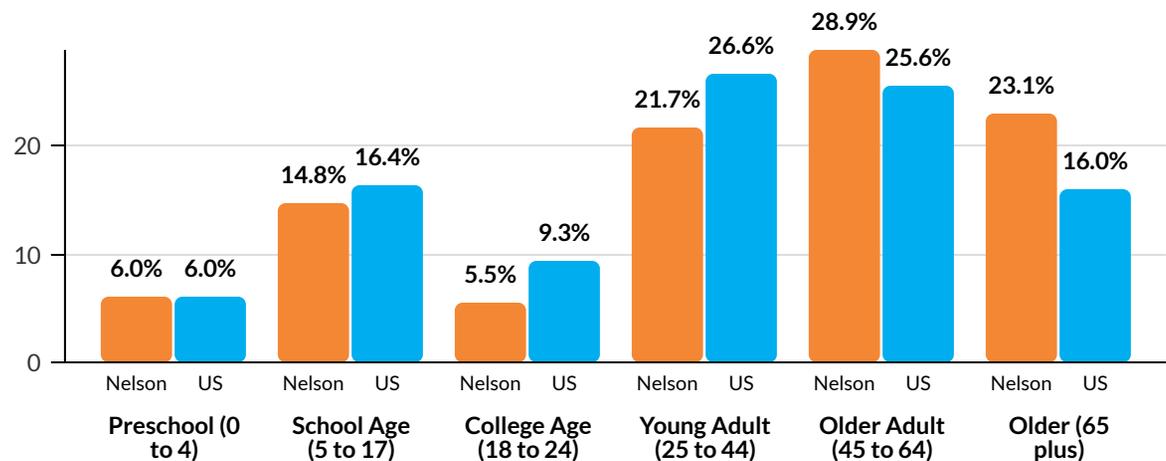
Population Change 2020-2021

- 33 net migration (moving in/out)
- 71 births
- 98 deaths
- Net change: -60

Ethnicity

- 94.2% White
- 3.5% Hispanic/Latino
- 2.3% Native American

Age of Pembina County Residents compared to US



Walsh County

Economic & Resiliency Profile



(<https://www.statsamerica.org>)

Adams | Ardoch | Conway | Edinburg | Fairdale | Fordville | Forest River | Grafton | Hoople | Lankin | Minto | Park River | Pisek

| | | | | | |
|--|---|---|---|--|----------------------------------|
| 10,469 Total Population (2021) | -5.8% % Growth since 2010 | 4,820 Total Households | 2.17 Ave. Household Size | 44.2 Median Age | 70.1% Internet at Home |
| \$46,032 Average wage per job in 2020 Rank among US counties: 1,105 of 3,143 | \$59,153 Median Household Income Rank among US counties: 1,015 of 3,143 | \$63,790 Per Capita Annual Income 2020 Rank among US counties: 295 of 3,143 | 17.2% % of Residents with a Bachelor's Degree or Higher | 12% Poverty Rate for Children under 18 | |

Number of Employer Establishments: 516

Labor Force (2021)

- Total Labor Force: 5,135
- 5-Year % Change: -7.2%
- 10-Year % Change: -17.6%

Largest Industries by Share of Employment (2020)

- Manufacturing
- Retail
- Wholesale Trade
- Agriculture
- Education & Healthcare

Largest Industries by Share of GDP (2020)

- Agriculture (22%)
- Finance, Real Estate (16.2%)
- Wholesale Trade (12%)
- Manufacturing (12%)
- Government Services (11.6%)

Annual Average Earnings Private Industries (2020)

- Finance & Insurance: \$64,028
- Wholesale Trade: \$62,793
- Health Care & Social Services: \$61,639
- Information: \$60,819
- Manufacturing: \$52,539

Largest Employers

- Marvin Windows & Doors
- Life Skills & Transition Center
- Grafton Public School District
- Lutheran Sunset Home
- Unity Medical Center

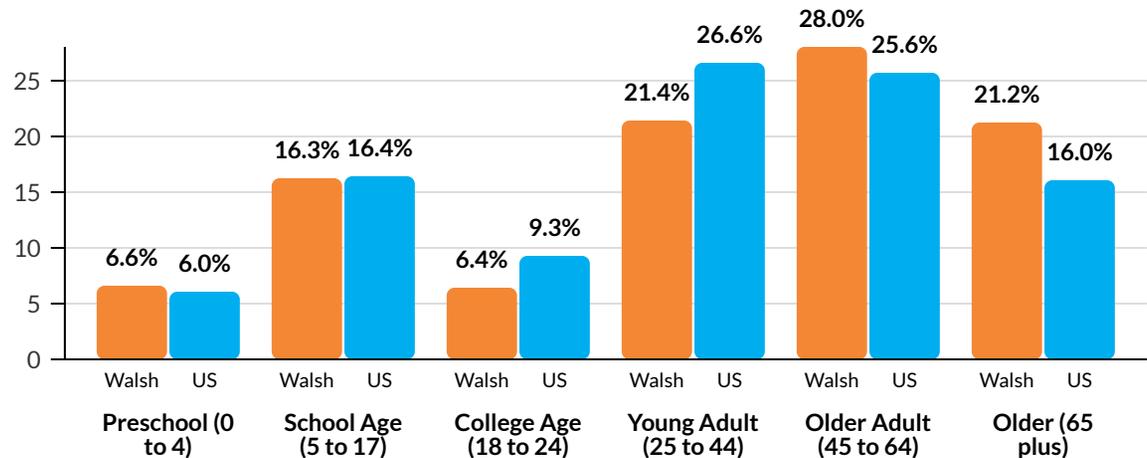
Population Change 2020-2021

- -26 net migration (moving in/ out)
- 102 births
- 129 deaths
- Net change: -53

Ethnicity

- 92.8% White
- 11.6% Hispanic/Latino (includes people with more than one ethnic heritage)

Age of Walsh County Residents compared to US







Economic impacts on the Red River Region from the COVID-19 disaster

April 2022

Red River Regional
Council Resiliency
Team Report



Impacts on the Red River Region

Overview

Challenges in context

The economic impact of the COVID-19 pandemic on the Red River economic region hit small businesses and those industries embedded in person-to-person employment and service delivery models the hardest. At the same time, agricultural employment remained resilient and steady, while manufacturers and some health care employers added jobs. Some of the most difficult impacts from the pandemic have been caused by the extraordinary shutdown of land border crossings at the U.S.-Canada border -- 3 of which are in Pembina County.

U.S.-Canada Border closure

While most employers and industries recovered lost jobs by the end of 2021, the prolonged, 20-month closure of the U.S.-Canada border dramatically impacted the region's recreation, travel, and tourism industry, along with businesses and sectors that rely on trade with and through Canada. In 2020, Canadian tourism dropped by 90%. Pembina County, which has the state's 3 largest land border crossings for travel and trade at Pembina, Walhalla, and Neche, has had dramatic revenue losses. An estimated 1.4 million travelers that would have crossed the U.S.-Canada border by bus or car through Pembina County in 2020 and 2021 were prevented from doing so by the closures and restrictions.

Unemployment

Nationally, unemployment surged from 3.5% in February 2020 to 14.8% in April 2020, the highest unemployment rate since 1948. North Dakota, as the nation's fourth-smallest state by population, was one of the few that did not impose a statewide shutdown order. By May 2020, Gov. Doug Burgum's ND Smart Restart, a coordinated effort to reopen recreational facilities, government agencies, and businesses, was underway.

Among Red River Region counties, farm employment grew during the pandemic, while nonfarm employment experienced layoffs and losses. This swing may have moderated unemployment rates in the region. In Pembina County, hardest hit by the border closure, the unemployment rate tripled between February and May 2020, from 4.2% to 12.9%. In Nelson and Walsh Counties, the February to May 2020 unemployment rate jumped from 4 to 7%, and 3.5 to 6.6%, respectively.

Rural business challenges: Labor shortage, technology

Small businesses and local employers felt the most direct impacts from the pandemic. While manufacturing firms added jobs, the total number of jobs in the region's three rural counties fell by more than 500, or about 4%. Grand Forks County ended the year with a loss of 2,521 jobs, or 4.8%. Businesses that saw the most losses were those in arts, entertainment, recreation, retail, food, and hospitality.

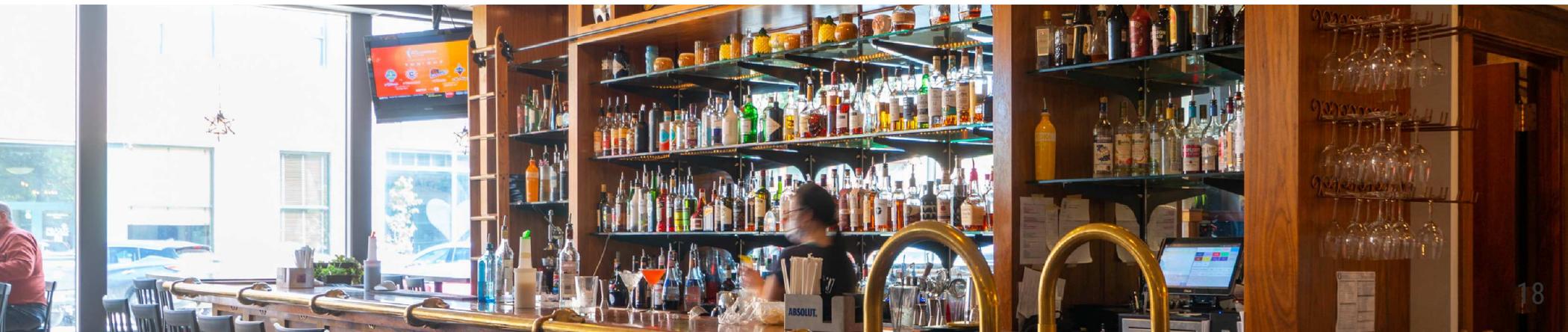
While 90% of local businesses reported revenue losses during the 2020 pandemic, those that could pivot to work-from-home and e-commerce business models, such as online ordering, reported revenue increases. The COVID-19 crisis exacerbated existing challenges that small rural businesses face: The ongoing labor shortage, lack of venture investments, barriers to financing, lack of training and technologies for e-commerce, online business & marketing, and point-of-sale systems.

Unequal impacts

Women were more vulnerable to the negative economic impacts of the pandemic due to the unequal effects of closures on personal services, sole proprietorships, local government, daycare providers, and schools. The small businesses and employers hardest hit, such as retail, restaurants, healthcare, childcare, and education, tend to have workforces that are 70% or more female. Conversely, the industries that were more able to continue operations and expand, such as agriculture and manufacturing, have workforces that are more than 70% male.

Recovery & resiliency

The number of people employed in the region has recovered to 2019 levels, however, the distribution across industries is changing. The pandemic shed light on critical challenges for the region's lifeline businesses, such as grocery stores, restaurants, value-added food producers, as well as healthcare and childcare services. Supply chain issues impact rural areas disproportionately. Resiliency for the region depends on creative solution-crafting for business-to-business value chains, housing, workforce development, and more.



U.S.-Canada border restrictions cause unprecedented losses

In March 2020, the U.S.-Canada border was shut down for the first time since 9/11.

There are 18 land border crossings along the 310-mile border between North Dakota and Canada. Three of these ports of entry for cars, buses, trucks, and trains, are located in Pembina County, which borders Manitoba to the north and Minnesota to the east. The Pembina-Emerson border crossing, located on U.S. Interstate Highway 29, just 70 miles south of the Winnipeg, Manitoba, metropolitan area (pop. 778,489), is North Dakota's most heavily used port of entry and, prior to the pandemic, was the nation's 16th busiest land crossing at the northern border (BTS, 2021).

The shutdown of the U.S.-Canada border to workers, travelers, and tourists between March 18, 2020 and Nov. 8, 2021, removed 80 to 90% of customers from Pembina County's recreational and tourism industry. The border closure heavily impacted most value-added businesses within the travel, recreational, and trade sectors, especially retail, food, and transportation businesses, which reported revenue losses up to 90%.

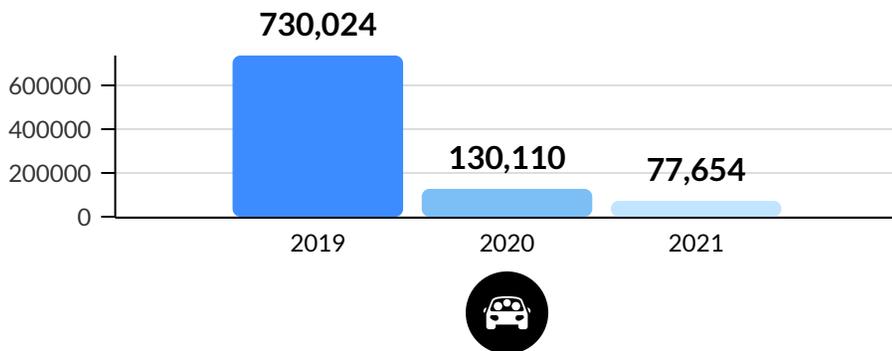
More than 85 percent of manufacturers and service sector businesses, especially those located in Pembina County, experienced significant revenue and job losses in 2020, and 98% sought COVID relief, according to Business Retention & Expansion surveys conducted in Region 4 by the Red River Regional Council (2021).

The U.S.-Canada border closure and restrictions prevented an estimated 1.25 million travelers from entering the United States through Pembina County's three border crossings, based on estimates derived from the actual number of travelers in 2019 and extrapolated across 2020 and 2021 (BTS, 2022).

The United States only tracks data related to the numbers of people and vehicles that cross the border into the country. According to Government of Canada border statistics, about the same number of passengers cross into Canada through Pembina County as enter the United States each year.

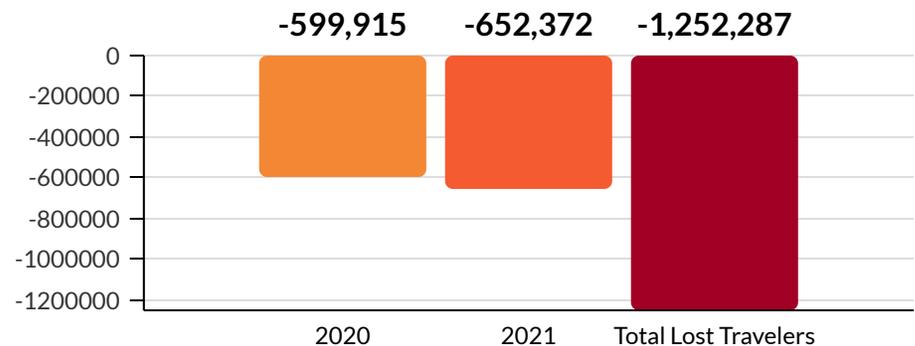
Statistics Canada reports that border crossings into Canada from the U.S. at Manitoba crossings fell by 95% in 2020 and 2021.

Pembina County (pop. 6,844) was hit hardest by the sudden reduction in international travel, retail sales, and trade, as state sales tax data show a sustained reduction of about 10% in the county's taxable sales and purchases in 2020 and 2021 compared to 2019. Total losses from retail and tourism for the county are estimated between \$5 and \$10 million.



Number of Land Travelers that Crossed Into the U.S. from Canada via Pembina County

Source: U.S. Bureau of Transportation Statistics, 2022



Estimated # of Travelers Prevented from Traveling into the U.S. via Pembina County (Based on 2019 Border Data)

Source: U.S. Bureau of Transportation Statistics, 2022

Border limitations on truck and rail traffic restrict supply chains & trade

Canada ranks as the top U.S. export market, accounting for 17.9% of all U.S. goods exports in 2020. The U.S. buys more than 75% of Canada's exports. The two-way trade of goods and services between the two countries totaled more than \$614.9 billion in 2020, according to the U.S. International Trade Administration.

More than two-thirds of the more than \$511 billion in goods traded annually between Canada and the United States is transported by road, with the majority of these crossing through six ports of entry: Detroit, MI; Buffalo-Niagara Falls, NY; Port Huron, MI; Blain, WA; Champion Rouses Point, NY, **and Pembina, ND.**

During the pandemic years of 2020 and 2021, Pembina, N.D., remained the nation's 6th most important border crossing for international truck traffic, even though the border closure significantly reduced the number of trains and trucks crossing through ports of entry in Pembina County compared to 2019.

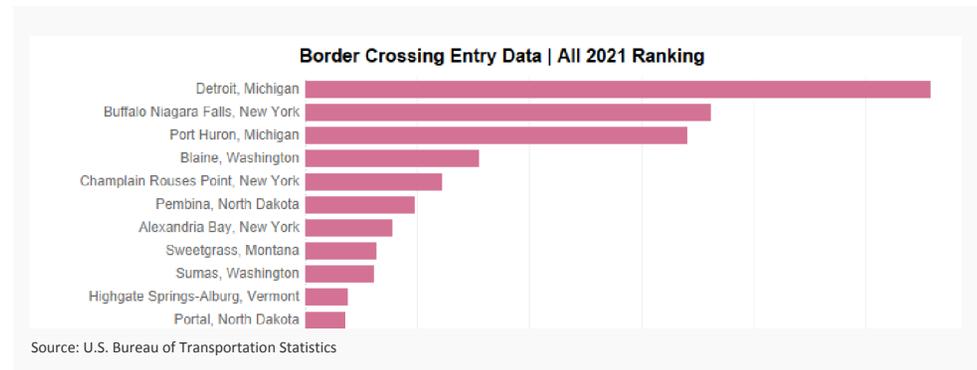
Impacts on trade traffic through the Pembina-Emerson port of entry cascaded through the county and state.

Canada is the state's largest trading partner; **more than 87% of North Dakota goods produced for export are sold to Canada**, according to the U.S. Census, accounting for \$6.13 billion of the \$6.97 billion of the state's exports. About 65% of North Dakota's sales to Canada are for petroleum oil and related products; the remaining 35% are largely agricultural products and machinery.

North Dakota lost more than \$1.78 billion in 2020 due to pandemic impacts restricting or preventing international trade -- a 25.6% drop.

The U.S.-Canada border closure directly accounted for \$1.74 billion of the state's total export losses of \$1.78 billion, according to U.S. International Trade Data from the U.S. Census.

The border closure and restrictions have disrupted companies that import Canadian goods, and businesses that rely on travel and transportation. In January and February 2022, Canadian truckers blocked stretches of Manitoba Highway 75 near Emerson, MB, and the Pembina, ND, port of entry to protest new vaccination requirements for truckers by Canada and the U.S.



Percent change in truck and rail containers entering the U.S.

| Port Name | Measure | 2018 | 2019 | 2020 | 2021 |
|-----------------|-------------------------|------|-------|-------|-------|
| Total | | | 1.0 | -8.0 | 9.8 |
| Neche | Truck Containers Empty | | -29.2 | -22.1 | 12.8 |
| | Truck Containers Loaded | | 185.6 | -17.6 | -14.1 |
| | Trucks | | -4.9 | -20.5 | 5.3 |
| Pembina | Rail Containers Empty | | -6.7 | -13.3 | 4.0 |
| | Rail Containers Loaded | | 10.5 | -24.8 | 7.8 |
| | Trains | | 11.1 | -28.1 | 4.5 |
| | Truck Containers Empty | | -6.1 | 52.7 | 4.3 |
| | Truck Containers Loaded | | -0.7 | -9.1 | 12.1 |
| | Trucks | | -1.4 | -0.9 | 10.3 |
| Walhalla | Truck Containers Empty | | 6.6 | -21.7 | 29.1 |
| | Truck Containers Loaded | | 12.7 | -21.8 | -10.2 |
| | Trucks | | 8.3 | -20.0 | 16.5 |

U.S. Bureau of Transportation Statistics

Sources:

U.S. Bureau of Transportation Statistics.(2022). Border Crossing Data. Retrieved from <https://explore.dot.gov/#/views/BorderCrossingData/Annual>

U.S. Census. (2022). State exports from North Dakota. Retrieved from <https://www.census.gov/foreign-trade/statistics/state/data/nd.html>

Employment & Unemployment

Pandemic-related closures and restrictions forced the most job losses among local employers in highly social settings: State and local government service providers, education, healthcare, childcare, retail store owners, most service sector employees, as well as restaurants, food-service and hospitality businesses.

Given the seasonal influence of agriculture and agricultural-related businesses in the Red River region, which are timed for late harvest crops such as potatoes and sugar beets, the unemployment rate is typically lowest in the spring and fall: April and May, as well as October and November.

Typically, the unemployment rate is about 1.3 to 3% during those months in the four-county region and statewide, compared to about 3.6% nationally.

The pandemic-related work and school shutdowns in March 2020 caused the unemployment rate to surge to three and four times the year-to-year normal for April and May 2020.

Across the region, the May 2019 and 2020 unemployment rates for each county looked like this:

- Pembina County: 3.1% vs. 12.9%
- Walsh County: 2.8% vs. 6.6%
- Nelson County: 2.8% vs. 7.0%
- Grand Forks County: 1.8% vs. 8.5%



Source: Bureau of Labor Statistics, February 2021

For comparison, North Dakota's overall highest unemployment rate was 8.1% in April 2020. The state's May 2019 unemployment was 1.7% vs. 7.3% in May 2020. Nationally, unemployment in April and May 2019 was 3.6%, and at the peak of the 2020 pandemic shutdowns, unemployment reached 14.7% (April) and 13.2% (May).

Pembina County's unemployment rate surge and slower recovery can be attributed in part to the extended shutdown (20 months) and ongoing restrictions limiting travel, tourism, and trade across the U.S.-Canada border.

The border crossing at Pembina, N.D., and Emerson, Manitoba, is the 16th most heavily trafficked land port-of-entry in the nation, and is the busiest land border crossing in North Dakota. About 1.2 million people cross between the two countries each year at Pembina, N.D., and a cluster of trade, transportation, and tourism businesses have developed in the county that are dependent on the flow of people and goods across the border.

COVID-19-related restrictions and policies affecting border traffic continue to heavily impact Pembina County employment, jobs, and industries.

Labor Supply & Workforce

The Red River Region is experiencing ongoing depopulation and a chronic labor shortage. The pandemic disaster added delays and obstacles to efforts aimed at improving workforce training, retention, and recruitment. Major employers and local businesses have reported that one of the most significant barriers to growth that they are experiencing is a shortage of skilled and professional workers.

Population and job growth in North Dakota over the past decade has been driven by the rapid growth of the oil and gas industry. Before the pandemic, employment in mining and extraction, as well as transportation and warehousing, had nearly doubled over the decade, along with professional and scientific services and corporate management. Statewide, nearly every non-farm industry added jobs between 2010 and 2019, however nearly all of the gains occurred between 2010 and 2015, and most sectors logged job losses between 2016 and 2019. Agriculture continues to be the top industry for GDP, but has experienced continual job losses: The number of farm proprietors dropped 14.7% and farm employment dropped nearly 8% in the past decade, according to the Bureau of Economic Analysis. Regionally, employment growth has been driven by manufacturing, healthcare, and government.

During the pandemic, however, agriculture was one of the few sectors that showed employment growth between 2019 and 2020. Statewide, farm employment grew 1.5% between 2019 and 2020, while the four-county Red River region saw an average of 3% increase in farm employment.

Labor force and population decline

The 2020 Census data released in 2021 showed that the **population decline in Pembina, Walsh, and Nelson counties continues to severely impact their capacities for economic recovery and, resiliency, along with community and industry development.** Labor force data counts civilians over age 16 who are either employed or seeking employment (BLS). Table 1 shows the reduction in the region's labor force. This definition excludes those who own their farm, ranch, or other business. The U.S. Bureau of Economic Analysis tracks employment and proprietorship of all industries. Table 2 shows total employment, including proprietors and wage and salaried workers, in all farm and non-farm industries.

As the tables indicate here, the number of people over age 16 in the labor force (Table 1) dropped twice as much as the overall population decline (Table 3) between 2010 and 2020.

What's concerning is the apparent change in number of jobs, or, potentially, the gap between the supply of skilled workers and professionals and the types of jobs available.

Table 1: Labor Force

| | 2010 | 2020 | % Chng |
|---------------------|----------------|----------------|---------------|
| Pembina | 4,029 | 3,386 | -16.0% |
| Walsh | 6,232 | 5,135 | -17.6% |
| Nelson | 1,694 | 1,398 | -17.5% |
| Grand Forks | 37,939 | 36,730 | -3.2% |
| North Dakota | 383,322 | 406,300 | 6% |

Source: Bureau of Labor Statistics

Table 2: Total Employment

| | 2010 | 2020 | % Chng |
|---------------------|----------------|----------------|---------------|
| Pembina | 5,506 | 4,959 | -9.9% |
| Walsh | 7,571 | 6,899 | -8.9% |
| Nelson | 2,275 | 1,923 | -15.5% |
| Grand Forks | 36,648 | 35,031 | -4.4% |
| North Dakota | 503,813 | 550,696 | 9.3% |

Source: Bureau of Economic Analysis

Table 3: Total Population

| | 2010 | 2020 | % Chng |
|---------------------|----------------|----------------|--------------|
| Pembina | 7,413 | 6,844 | -7.7% |
| Walsh | 11,119 | 10,563 | -5.0% |
| Nelson | 3,126 | 3,015 | -3.6% |
| Grand Forks | 66,861 | 73,170 | 9.4% |
| North Dakota | 672,591 | 779,094 | 15.3% |

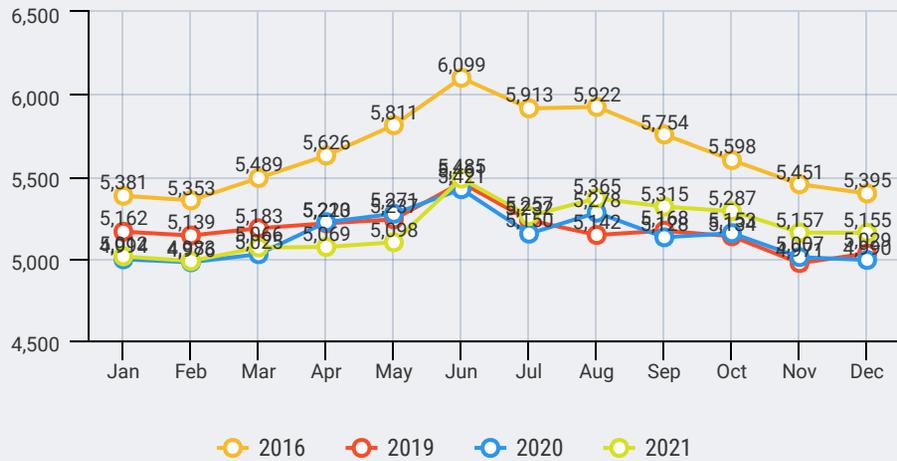
Source: Census

Impacts on the Red River Region

Non-Farm Employment



Walsh County Non-Farm Employment



Source: Bureau of Labor Statistics; Bureau of Economic Analysis

The pandemic impacts on the region's labor supply and employment may not be clear for several years because of the shifts in work, housing, wages, and costs of living that are happening across the nation.

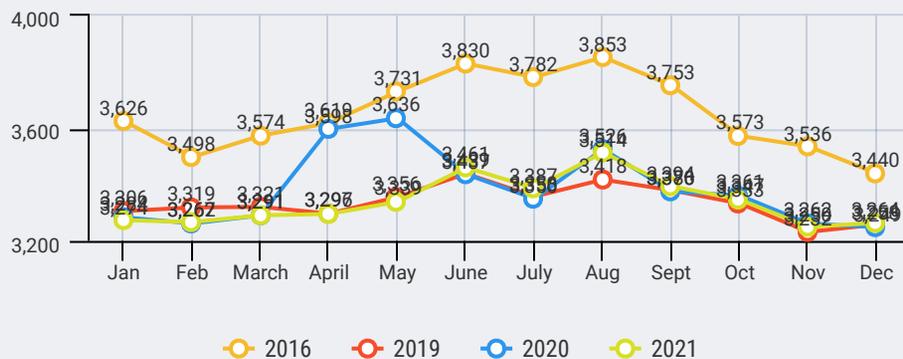
As expenses and population density increase in other parts of the nation, more people and businesses may find the employment and business opportunities in the Red River region's rural counties to be attractive.

Signs of recovery and resiliency

As shown here, Walsh, Pembina, and Nelson counties saw job growth among non-farm industries in 2021, recovering to and even above 2019, or pre-pandemic levels. Job and employment growth has been driven by manufacturing, healthcare, education, and administrative services (BEA).

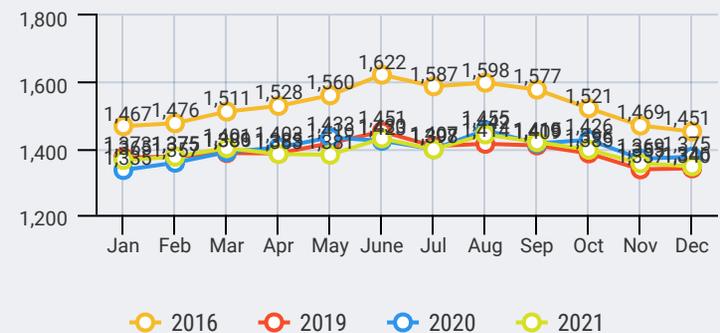
However, total non-farm employment has not recovered to 2016 levels, indicating an overall reduction in firms, jobs, and workforce.

Pembina County Non-Farm Employment



Source: Bureau of Labor Statistics; Bureau of Economic Analysis

Nelson County Non-Farm Employment



Source: Bureau of Labor Statistics; Bureau of Economic Analysis

Changes to industries and jobs

The Red River region's most rural counties compete for workers and businesses with the region's largest county and metropolitan area: Grand Forks.

Between 2010 and 2019, 70% of residents who moved out of Pembina, Walsh, and Nelson moved to other communities in North Dakota. Factors that influence this outmigration include:

- An economic resurgence in Grand Forks, along with a housing boom.
- Ongoing business and job growth in Cass County, the state's most populous metropolitan region, and neighboring counties.
- Higher wages and job growth in the state's western oil-producing counties.

The challenges to economic recovery and resiliency can be seen in the distribution of jobs among private sector industries in Pembina, Walsh and Nelson counties compared to Grand Forks County and the state.

The top 5 private sector industries by employment in North Dakota are:

- Wholesale & retail trade, transportation & utilities
- Education & Healthcare
- Leisure & Hospitality
- Professional & Business Services
- Construction

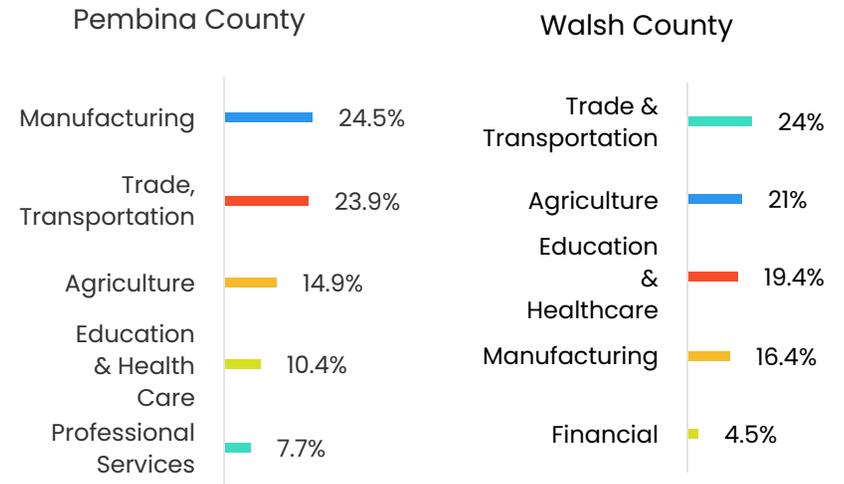
In comparing the third quarter of 2019 to 2021, Walsh, Nelson, and Grand Forks counties have seen employment numbers recover to near 2019 levels, while the third-quarter employment reports show Pembina County logging a -7.5% drop (BLS) that reflects industries hardest hit by the border closures: wholesale & retail trade, along with construction.

Manufacturing and agriculture account for nearly 40% of private-sector jobs in Pembina and Walsh counties, making these economic regions more vulnerable to commodity market swings, supply chain disruptions, trade issues, and severe weather, all of which have occurred during the pandemic.

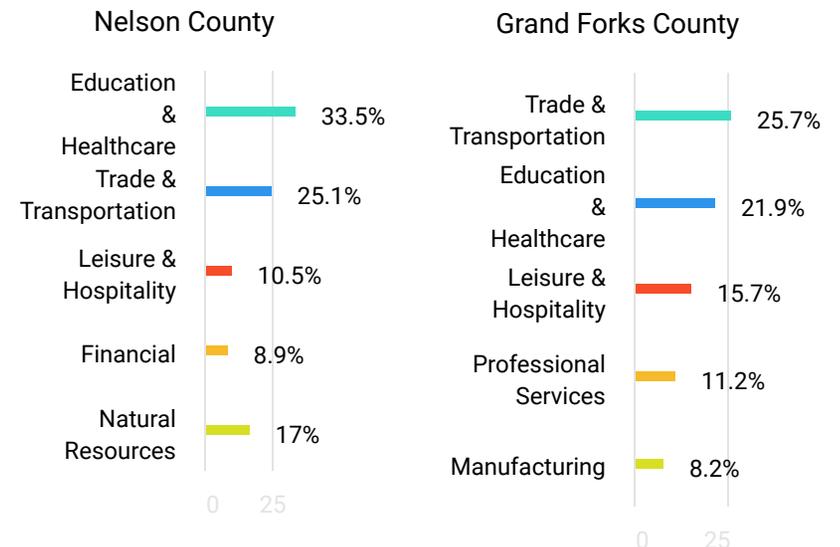
The major challenge to recovery and resiliency in Nelson County can be seen in an economic mix reliant on education and health care services, along with trade and transportation services. Key challenges to recovery and resiliency include the region's labor shortage, housing shortage, and economic dependency on a few key industries.

Automated systems will likely reduce the number and type of jobs available in manufacturing and agriculture, reducing the number of laborer jobs and creating a need for employees at a higher level of education and training than currently exists.

Q3 2021: Top 5 Private Sector Industries, By % of Employment



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages



Wages rose, but gaps remain

The pandemic had an influence on wages in the Red River Region, as in the state and across the nation. Overall, the average weekly wage for all private industries rose considerably between 2019 and 2021, outpacing historical year-to-year increases between 2% and 5%.

Because employers in Pembina, Walsh, and Nelson counties pay, on average, wages that are considerably lower than neighboring Grand Forks County and other areas in the state, the **region's wage gap may be one of its biggest obstacles to recovery, resiliency, and future growth.**

Average weekly wages in Pembina, Walsh, and Nelson counties increased by more than 10% between 2019 and 2021, outpacing average weekly wage increases in Grand Forks and the state. The wage hike brought the average weekly pay closer to the average weekly wage paid in Grand Forks County, but has not been enough to close the wage gap, especially among key industry employers.

The Average Weekly Wage rose during the pandemic

| | Q3 2019 | Q3 2020 | Q3 2021 | Pct Chng |
|---------------------|----------------|----------------|----------------|--------------|
| Pembina | \$867 | \$908 | \$971 | 12.0% |
| Walsh | \$805 | \$863 | \$917 | 13.9% |
| Nelson | \$658 | \$669 | \$726 | 10.3% |
| Grand Forks | \$888 | \$917 | \$960 | 8.1% |
| North Dakota | \$1,046 | \$1,035 | \$1,094 | 4.60% |
| United States | \$1,085 | \$1,169 | \$1,253 | 15.50% |

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages

The U.S. Bureau of Labor Statistics collects data on employment and wages. The average weekly wage (AWW) is based on reports by employers about gross weekly pay to employees. The gross wage includes employee contributions that are deducted for insurance and/or retirement. It does not include employers' contributions to benefits, retirement plans, etc.

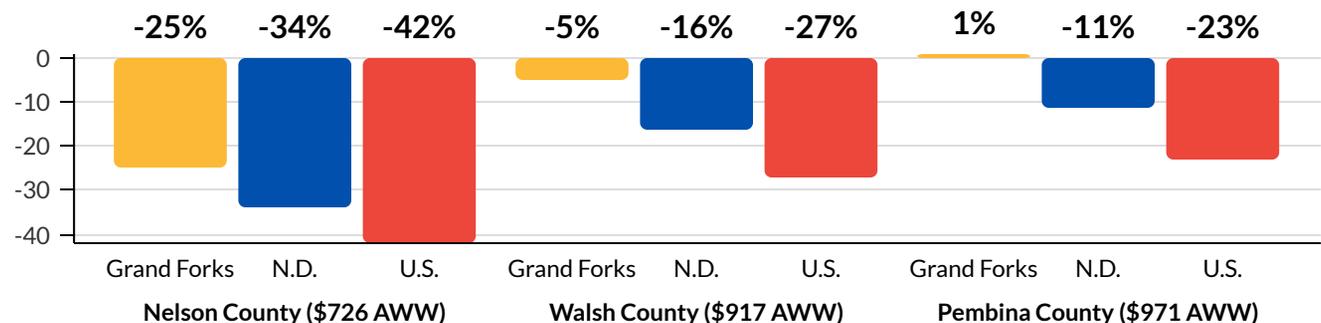
Average weekly wages overall still significantly lower than Grand Forks, state, nation

While wages rose overall between 2019 and 2021, the Red River region's counties remained considerably behind state and national average pay.

The chart to the right shows how the 2021 average weekly wage (AWW) in Nelson, Walsh, and Pembina counties compares to Grand Forks County (\$960), North Dakota (\$1,094), and the United States (\$1,253). The AWW is calculated as an average of average weekly pay across all industries.

Low and stagnating wages are a significant challenge for retaining and attracting workforce and population.

How the average weekly wage compares to GF, ND, US



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages

Impacts on the Red River Region

Wages Gaps & Impacts



Key industries in the region are seeing wages that are extraordinarily low compared to metropolitan Grand Forks County, the state, and the nation. These are education and healthcare, as well as leisure and hospitality.

Walsh County, for example, offers an average weekly wage in education and healthcare that is 30% lower than Grand Forks County, and the average weekly wage earned in leisure and hospitality is 47% lower.

The Great Plains states, including North Dakota, saw the largest percentage of workers quitting jobs in August 2021, according to the Bureau of Labor Statistics. According to Pew Research, 63% of people who left their jobs said they did so because of low wages and lack of opportunity.

The pandemic highlighted the importance of both of these industries and local services to the health and well-being of communities and their economies.

Education and healthcare experienced exceptional impacts from the pandemic. Healthcare services are vital for rural counties because of distances, high-risk industries (manufacturing and agriculture), and aging populations. The leisure and hospitality industry, which includes tourism, but also food, arts, and recreation, suffered job losses and business closures. However, the pandemic illuminated the value of these businesses for having local food and recreational options.

These two industries are foundational for a high quality of life in rural places and the wage may be an obstacle to recovery and resiliency.

Q3 2021: How area wages compare across industries

| | Pembina | Walsh | Nelson | Grand Forks | North Dakota | US |
|------------------------|----------------|--------------|---------------|--------------------|---------------------|-----------|
| Information | NA | \$1,185 | NA | \$1,195 | \$1,829 | \$2,832 |
| Financial Services | \$1,068 | \$1,121 | \$909 | 1,370 | \$1,285 | \$1,877 |
| Professional Services | \$1,126 | \$877 | \$936 | \$1,099 | \$1,214 | \$1,628 |
| Construction | \$1,586 | \$1,005 | \$896 | \$1,220 | \$1,292 | \$1,321 |
| Education & Healthcare | \$860 | \$888 | \$592 | \$1,203 | \$1,120 | \$1,127 |
| Trade & Transportation | \$936 | \$936 | \$877 | \$869 | \$1,041 | \$1,060 |
| Manufacturing | \$1,106 | \$1,103 | \$763 | \$1,031 | \$1,161 | \$1,408 |
| Leisure & Hospitality | \$204 | \$226 | \$240 | \$364 | \$409 | \$553 |

Earnings and Gender Gaps

Not only do wages in the Red River region lag behind state and national average weekly pay, but the pay gaps and job losses for women and minority populations also worsened in the pandemic. Nationally, women lost the majority of the 22 million jobs lost between February and April 2020, and have not returned to work at the same rate as men, according to the U.S. Department of Labor.

Comparing the gender differences in earnings across industries highlights the extraordinary challenges the region is experiencing in retaining and attracting women. The percentage of men among full-time employees is significantly higher in the three counties with the largest gap between median earnings for men and women.

The gender wage gap is nearly 30%. Some industries have more pay equity than others, and these differ between counties. Businesses and employees in the health care industry are particularly vulnerable to the impacts of the rural-urban wage gap and gender disparities as disincentives to recruitment and retention. Health care is a top-five employer in each of the Red River Region's four counties.

Most equitable industries by county:

- Pembina: Construction & Manufacturing
- Nelson: Wholesale Trade & Education
- Walsh: Educational Services
- Grand Forks: Arts & Entertainment, Finance
- ND: Wholesale Trade
- US: Construction & Real Estate

Most inequitable industries by county:

- Pembina: Finance & Public Administration
- Nelson: Hospitality/Food & Finance
- Walsh: Professional & Scientific Services
- Grand Forks: Professional/Scientific Services
- ND: Corporate Management
- US: Corporate Management & Finance

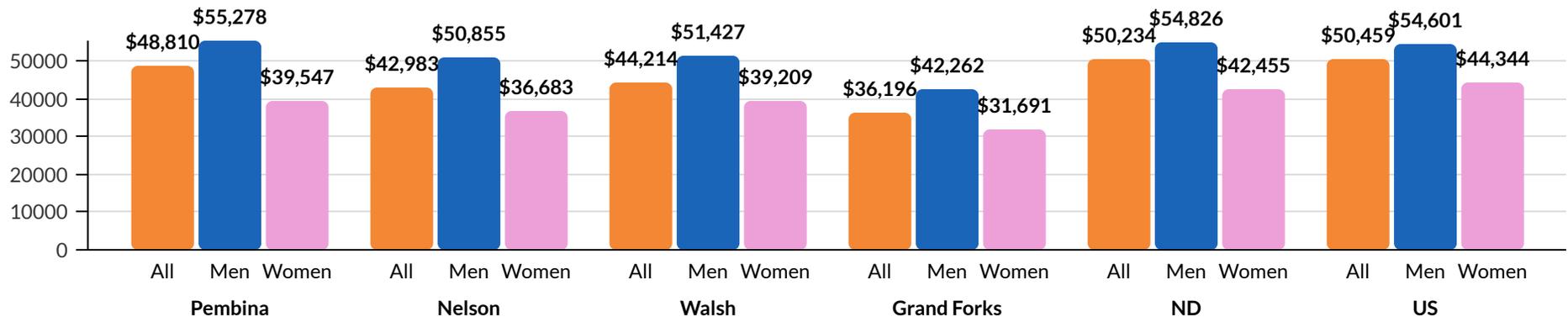
Across the region, the median earnings gap for women is significantly bigger than the state and nation. Here is a look at the gender gap by county:

Gender ratios & gaps

| | % of Full-Time Employees that are Men | % difference between Men and Women Median Earnings |
|---------------|---------------------------------------|--|
| Pembina | 62% | 29% |
| Nelson | 63% | 28% |
| Walsh | 62% | 24% |
| Grand Forks | 58% | 25% |
| North Dakota | 59% | 23% |
| United States | 57% | 19% |

American Community Survey, 2020

Comparing median earnings by areas & by gender



American Community Survey, 2020



Resilient Economic Development Strategy for the Future

April 2022

Red River Regional
Council Resiliency
Team Report



Recovery & Resiliency



What's the difference between recovery and resiliency?

Economic recovery is the ability to return economic and business activities (including agricultural) to a state of health and develop new economic opportunities that result in a sustainable and economically viable community (FEMA, 2011).

Recovery includes the restoration and strengthening of key systems and resource assets that are critical to the economic stability, vitality, and long-term sustainability of the communities themselves.

These include:

- health (including behavioral health) and human services capabilities and networks,
- public and private disability support and service systems,
- educational systems,
- community social networks,
- natural and cultural resources,
- affordable and accessible housing,
- infrastructure systems, and
- local and regional economic drivers.

Together, these elements of recovery contribute to rebuilding resilient communities equipped with the physical, social, cultural, economic, and natural infrastructure required to meet future needs.

Resiliency

In the natural sciences, resiliency is the capacity of a living system to withstand, recover from, and thrive after a shock or disaster.

Since economies are created by people and communities, economic resiliency is the capacity of an economy to anticipate, withstand, and recover from shocks, such as the decline of a major industry, the closing of a major employer, recessions, pandemic-related impacts, etc.

Resilient communities and economic systems learn from disasters and apply these lessons to adaptations that help them avoid future disasters.

In developing its responsive economic resiliency strategic plan, the RRRC used the following guiding principles developed by the National Association of Development Organizations and the U.S. Economic Development Administration to help regional economic development agencies design goals and strategies aimed at fostering resiliency within their regional economies.

Be intentional about addressing resiliency in decisions & planning

Ask these questions: What is needed to, or, How does this action help:

Diversify the economy & create redundancies

Create multiple strong sectors and avoid dependency on any one industry

Involve a variety of partners & communication across public & private sectors

Collaboration drives success

Engage a broad & diverse set of stakeholders & participants

Create a shared vision for the future that includes & addresses vulnerable people

Plan for a future that fosters prosperity and is prepared for natural & economic disasters

What are the adaptations that helped now that can be applied to the future?

2019-2024 CEDS (Pre-Pandemic)

While an economic disaster relative to a global pandemic was not foreseen at the time, the RRRC's 2019-2024 CEDS fully supports activities that address recovery and resiliency of businesses and vital services that have been impacted by the pandemic.

In 2019, just a few months before the pandemic, the RRRC CEDS team developed an ambitious strategic plan with the input of more than 200 stakeholders across the four-county region.

The 2019-2024 CEDS used stakeholder input plus findings from a detailed analysis of demographic, economic, and market data to develop goals, strategies, and actions aimed at propelling the four-county region forward.

Each strategic goal was chosen for its potential to position the region and its 41 rural communities for success and to accelerate business development, workforce recruitment, visitor attraction, and community prosperity.

The goals also directly addressed existing barriers to economic development. The goals of the current CEDS were developed to improve the economic resiliency of the region through continued diversification and new business development.

The RRRC's disaster response, recovery strategy, and its resiliency economic development plan developed to guide the region's economic rebound, align with its current CEDS goals and objectives.

| Business | Communities | Destination Development | Regionalism | Disaster Planning |
|---|---|--|---|--|
| <p>Support new & existing businesses</p> <p>Align businesses & communities with access to capital. Create economic resiliency by investing in diverse, local businesses that revitalize rural main streets.</p> <p>Continue to develop the Northeast Manufacturing Group.</p> <p>Continue leading the 21st Century Workforce Development & Entrepreneurship Initiative.</p> <p>Support the development of Grand Sky and unmanned aircraft systems (UAS) industry in NE North Dakota.</p> | <p>Support vibrant community development</p> <p>Initiate placemaking activities and projects to improve community beautification, amenities, & recreation.</p> <p>Provide technical support to strengthen community assets including infrastructure, housing, healthcare, childcare, planning, & leadership.</p> <p>Consider the development of a partnership or regional community foundation to cultivate private-public partnerships on community enhancement projects.</p> | <p>Support visitor & destination development</p> <p>Continue development of Rendezvous Region Tourism Council.</p> <p>Continue to support the redevelopment and expansion of regional outdoor recreation & cultural amenities.</p> <p>Support development & marketing amenities, niche businesses & activities that develop the region into a unique and interesting destination.</p> | <p>Foster regionalism</p> <p>Convene regional discussions, events, with community leaders to provide education, networking and comradery in NE ND.</p> <p>Continue to provide positive public messaging of events, projects and development goals throughout the region.</p> <p>Cultivate regional partnerships on project development and investment, as well as between the City of Grand Forks and the region.</p> <p>Continue to support local development organizations in the implementation of their strategic plans.</p> | <p>Disaster resiliency</p> <p>Maintain strong knowledge of FEMA and related disaster mitigation and recovery funding programs.</p> <p>Encourage and support disaster mitigation planning in collaboration with county emergency management offices.</p> |

Red River Region COVID-19 Economic Disaster Response & Recovery Plan



A Presidential Disaster due to COVID-19 pandemic (DR-4509) was declared for the entire state of ND on April 1, 2020 for the period beginning January 20, 2020, and continuing. Beginning the week of March 15, Governor Burgum ordered all schools in the state to be closed and distance learning was implemented to complete the 2019/2020 school year.

Access to outdoors, lack of crowding, and immediate local responses helped mitigate spread of the virus in the early days and months of the pandemic. However, the impacts of the shutdowns, and especially the closure of the U.S.-Canada border, caused serious economic damage to local businesses.

In April 2020, the ND Department of Commerce conducted a survey to assess the initial economic and community impacts of the pandemic. The survey got 11,300 responses, and more than 1,500 respondents were living in the Red River Region's counties: Grand Forks, Nelson, Pembina, and Walsh. The survey found that:

- 97% of respondents were practicing social distancing of varying degrees.
- 90% were moderately to extremely concerned about the pandemic.
- Top three concerns: Getting sick; local businesses struggling/closing; not being able to work.
- 40% have themselves or another in their household with a chronic health condition that impacts their immune system.

The initial findings formed the basis for the RRRRC's initial COVID-19 Economic Disaster Crisis Response strategy, which structured its work in 2020. In 2021, the RRRRC launched a Business Retention & Expansion program and used the survey data and stakeholder inputs to assess economic damage, needs, and to identify priorities in its recovery and resiliency response.

The RRRRC created a scaffolded approach to move from a crisis response into a recovery strategy, and then into a resiliency-focused economic development plan.

The development of the 2022-2024 Comprehensive Resiliency Strategic Plan builds on the RRRRC's work in 2020 and 2021 to respond to the COVID-19 economic disaster, assess economic injury, leverage opportunities, and act strategically for recovery.

2020: COVID-19 Economic Disaster Crisis Response

Continue Operations Using Crisis Plan

- Shifted to remote work and meetings

Coordinate, Communicate & Connect

- Coordinated activities, assessments, communication with local, state, federal agencies.
- Identified relief funding programs; communicated with businesses, local governments; provided technical assistance; facilitated applications; connected businesses with resources

Prioritize lifeline businesses; crucial keystone projects

- Prioritized funding and responses to lifeline businesses; key economic development projects most vulnerable to shutdowns and restrictions.

2021: Economic Recovery & Resiliency Strategic Response

Assess Economic Injury, Needs, & Opportunities

- Launched Business Retention & Expansion program to identify economic damage, needs, and opportunities. Met regionally with stakeholders for input.
- Hired two full-time staff plus a part-time staff to provide technical assistance to develop strategic recovery and resiliency plan.
- Developed a data-informed economic development strategy aimed at strengthening recovery and building resiliency for the future.

Prioritize Business & Community Revitalization, Workforce Development & Attraction

- Identified needs for training, business incubation, e-commerce, and entrepreneurship.
- Launched 12-month, 4-county, 42-community destination development process with Roger Brooks International. Developed community-based action teams that will engage in the work of revitalizing and energizing their own communities, attractions, and more.
- Partnered with North Valley Career & Technology Center and the City of Cavalier in the development and financing of a new site.

Leverage New Funding, Opportunities & Initiatives

- Catalyze Destination Development: Frost Fire
- Revitalize Main Streets & Digital Markets: 532 Hill
- Homes for All: Rural Housing Task Force
- The Future of Work & Community: Child Care Task Force

COVID-19 DISASTER RECOVERY & RESILIENCY: 2020-2022

#1 Crisis Response

March 2020 to September 2020

- Pivoted to remote work and remote meetings to continue operations.
- Communicated with businesses & leaders, partners, local governments, state, and federal agencies.
- Assisted community lifeline businesses and services to get up and running.
- Got emergency aid/supplies/financing out to businesses.
- Continued with communications with and for businesses, partners, and local governments during the shutdown and months following.

#2 Relief & Recovery Response

July 2020 to March 2021

- Received \$400,000 in CARES Act funding through EDA for technical assistance for resiliency and developing recovery/resiliency strategic plan.
- Allocated \$52,000 and raised \$60,000 for destination development plan to launch study and community engagement process to accelerate efforts aimed at quality communities and attractive amenities & assets.
- Established \$1.26 million Catalyst Fund to provide direct business loans for recovery and resiliency
- Hired part-time resiliency specialist to support disaster assessment & resiliency planning.
- Hired two new entry-level Developers

#3 Economic Injury & Conditions Assessment

January 2021 to March 2022

- Launched Business Retention & Expansion Surveys with 112 service sector businesses and 17 manufacturers.
- Engaged 255 in-person stakeholders via four Town Hall meetings (three additional gatherings planned in Feb/March 2022). 2,000 online views.
- 2020 Census data analysis.
- COVID-19 Impact Assessments.
- Developed Impact Profiles for each county.
- Responded to ongoing disaster relief & recovery needs.
- Identified new funding possibilities.
- Selected and initiated Destination Development Plan with Roger Brooks and led regional project.
- Engaged 350 in-person attendees in Destination Development Assessment (750 online views).

#4 Recovery & Resiliency Strategy & Action Plan: Critical Priorities

October 2021 to June 2022
RISE Red River Region

- Used data to identify on strategic priorities for 2022 to 2026.
- Used resiliency principles in planning strategy, goals, tactics & outcomes.
- Evaluated 2020 Census data.
- \$2.1 million Frost Fire ARPA grant.
- 532 Hill Avenue incubator proposal.
- Developed Newcomer Study.
- Initiated Rural Housing Task Force.
- Initiated Childcare Task Force.
- Finalize and adopt RISE Red River Region Recovery/Resiliency Plan.

2021-2024 Resilient Economic Development Strategy



The 2021-2024 Responsive Economic Resiliency Strategy draws from the existing CEDS and identifies economic development goals & strategies developed in response to the COVID-19 disaster & needs of the region. The following pages describe NEW projects beyond the RRRC's ongoing work developed under these goals and strategies in 2021 and 2022. This framework supplements the RRRC's CEDS through 2024.

| Business & Industry | Workforce | Communities | Regional Innovation | Disaster Resiliency |
|---|---|---|--|---|
| <p>Goal 1: Accelerate business recovery & build resiliency in emerging & existing industries.</p> <p>Strategy 1.1: Align resources and prioritize actions within business and industry ecosystems to support business recovery and build resiliency.</p> <p>Strategy 1.2: Help small businesses and revitalize Main Streets through efforts that improve business infrastructure and create new opportunities.</p> | <p>Goal 2: Accelerate workforce recovery & industry competitiveness through efforts that grow, develop, & attract workers & businesses.</p> <p>Strategy 2.1: Address critical gaps, barriers to workforce retention and attraction. Prioritize investments to develop businesses & efforts that create solutions.</p> <p>Strategy 2.2: Develop and expand local access to training for in-demand skills and occupations.</p> <p>Strategy 2.3: Help efforts to promote the region's local business opportunities, goods & services, employers, and communities.</p> | <p>Goal 3: Accelerate community recovery through efforts that advance placemaking & destination development & improve quality of life.</p> <p>Strategy 3.1: Develop businesses, attractions, & infrastructure that grow & diversify the region's value-added tourism, travel & recreation industry & improve quality of life.</p> <p>Strategy 3.2: Help communities & regional groups accelerate placemaking, destination development & promotion.</p> | <p>Goal 4: Develop resiliency & economic diversity by creating a rural entrepreneurial & innovation ecosystem with regional rural-urban connectivity.</p> <p>Strategy 4.1: Support efforts to increase rural broadband services and connectivity in businesses and homes.</p> <p>Strategy 4.2: Develop opportunities to support and attract remote workers and digital entrepreneurs to foster digital business growth, localize and improve e-commerce, and support new business development.</p> <p>Strategy 4.3: Work with industry groups and major employers to navigate technological and market changes.</p> | <p>Goal 5: Incorporate resiliency strategies in economic and natural disaster planning. Assist with mitigation projects related to natural & economic disasters.</p> <p>Strategy 5.1: Create structures for effective crisis communication across sectors.</p> <p>Strategy 5.2: Create a data-driven strategy for future shocks from weather & other potential events.</p> |

Resiliency Goal 1: Accelerate business recovery & resiliency in emerging & existing industries

Strategy 1.1: Align resources and prioritize actions within business and industry ecosystems to support business recovery & build resiliency.

Project: Regional Business Retention & Expansion Program

March 2021 to April 2022

Partners

Cities of Grafton, Park River, Cavalier, Walhalla; Walsh, Nelson and Pembina County JDAs; Grand Forks Region EDC; Minnkota; North Valley CTC; and Job Service North Dakota.

Objectives & Outcomes

- To assess economic injury from COVID-19 disaster & engage business & community stakeholders in identifying needs, strengths, and future priorities.
- Conducted 130 interviews & surveys of local service-sector businesses & manufacturers in four counties. Developed 8-page recovery & resiliency reports . Engaged more than 350 stakeholders in 7 town hall forums across the region. Involved businesses & communities in taking ownership of their community economies & futures.

Project: \$1.26 million Catalyst Fund

July 2020 to June 2022 (initial round)

Outcomes

- Approved loans for 15 businesses in 7 communities & 3 counties.
- This assistance will create five new businesses, transitioned two businesses to new ownership, and significantly expanded on business.
- Funding supports several lifeline businesses, including a grocery store, a hardware store, repair services, medical services, a veterinary clinic, and a communications business.
- Two loans were awarded to women business owners and six that are owned 50% by women.

Strategy 1.2: Help small businesses and revitalize Main Streets through efforts that improve business infrastructure and create new opportunities.

Project: Storefront Improvements Program

2021 to ongoing

Partners

Pembina County JDA; Nelson County JDA

Objectives & Outcomes

- To increase the visibility and viability of local businesses through infrastructure improvements by using matching funds to leverage loans and grants for local businesses and communities to use for repairs and renovations of under- and un-utilized buildings, to promote new business ventures, to improve handi-accessibility, to update signage, and more.
- Has directly contributed to the recovery and revitalization of nine businesses in three communities.

Project: 532 Hill Kitchen & Co-Lab Business Incubator & Commercial Kitchen

April 2022 to ongoing

Partners

Red River Regional Council, City of Grafton, Walsh County JDA, Marvin, Polar Communications

Objectives & Outcomes

- To revitalize Main Streets and catalyze business creation, especially in the value-added food industry, through a business incubator and commercial kitchen, coworking space, & e-commerce development programs.
- Raised \$551,000 in local funds for match on a \$1.6 million EDA/ARPA grant request to develop a commercial kitchen and business incubator. None exists in the region for rural entrepreneurs. Would overcome barriers to scale for food-based businesses.



The Longest Table: This community discussion about economic impacts and the future of the community and region was held outdoors in Grafton, ND, on June 28, 2021. More than 115 people attended.

Resiliency Goal 1: Accelerate Business Recovery



Strategy 1.1: Align resources & prioritize actions to strengthen businesses & workers, fortify industry ecosystems, and help navigate change.

PROJECT

Regional Business Retention & Expansion Program



A Business Retention & Expansion (BR&E) Program is an economic development strategy of proactively connecting with existing businesses to understand and respond to their needs.

Before the pandemic, the BR&E program had operated in only one of the region's four counties. In 2021, the program was extended across the rural areas of the region and has been instrumental for assessing economic damage, needs, and opportunities, and for creating strategic action plans.

Objectives

- To assess economic injury from the pandemic disaster experienced by local businesses in the service sector and by manufacturers.
- To visit, interview, and survey local business leaders.
- To identify short-term, mid-term, and longer-term needs for services, training, financing, and more.
- To identify business climate strengths, weaknesses, opportunities & threats.
- To identify community-level strengths, weaknesses, opportunities, & threats.
- To engage a wide variety of community, business, and elected stakeholders in identifying priorities & developing action plans.

Outcomes

- Interviewed & surveyed 113 service sector businesses & 17 manufacturers across the 4-county region.
- Engaged more than 500 stakeholders in community workshops
- Held seven community forums.
- Reached nearly 2,000 viewers via social media live streams and videos.
- Resulted in identifying local business priorities.
- Provided insights that illuminated key recovery priorities and informed the RRRC's 2021 and 2022 strategic action & resiliency plans.



Partners

RRRC; City of Grafton; City of Park River; Nelson, Pembina, and Walsh County JDAs; City of Cavalier; City of Walhalla; Grand Forks Region EDC.

Opportunities

The Business Retention & Expansion Program strategically identified these needs and opportunities to improve resiliency by:

- Creating connections with and between businesses, communities, and industries across the region.
- Establishing feedback that empowered RRRC to provide services and connect businesses with resources for COVID-19 relief, recovery, and assistance.
- Engaging diverse stakeholders across the region to identify impacts, adaptations, gaps, and unexpected opportunities that have resulted from the pandemic.
- Introducing and developing economic recovery and resiliency skills, principles, and strategies aimed at creating a more economically diverse and resilient region.

Insights & Impacts

Prioritize Workforce Development & Attraction

The pandemic exacerbated workforce shortages as companies struggled to adapt. Women who owned small businesses and/or worked in healthcare, education, child care, social and other services, saw jobs shut down or were needed to care for families as jobs reopened, but child care services were scarce or frequently closed.

Manufacturers and service sector businesses have identified 1,200 positions they need to fill in the next 18 to 24 months.

- 400 will become open due to retirements.
- Nearly 400 are open but unfilled due to labor shortage.
- At least 162 will be in health care.

Prioritize understanding local challenges, barriers

Service sector businesses identified additional challenges to attracting and retaining employees:

- Average age of employees: 31 to 49
- Average age of community residents: 48 to 52
- Wages are lower than average wages in Grand Forks, state
- Most small businesses do not provide health care and other benefits (62% of respondents)

Prioritize investing in strengths, addressing weaknesses

Strengths

- Good community: Friendly, connected, engaged
- Excellent schools
- Outdoor recreation, living in lake country
- Business Opportunities & Support
- Overall very good quality of life: Affordable housing, safety, great public infrastructure, good schools & health care.

Weaknesses

- Lack of variety of housing for people of different ages, stages, including elders.
- Lack of daycare, childcare, elder care.
- Lack of positive vision, energy, community involvement, support.
- Lack of grocery, indoor amenities, retail.
- Lack of investment in entrepreneurs/entrepreneurship.

Opportunities

- For governments & leaders to invest more in community needs and quality of life.
- For collaboration, energized leaders,
- For reviving and energizing community engagement,
- For developing community and regional and future vision & strategic plans.



88%

Reported negative business impacts due to COVID-19



85%

Have difficulty finding employees

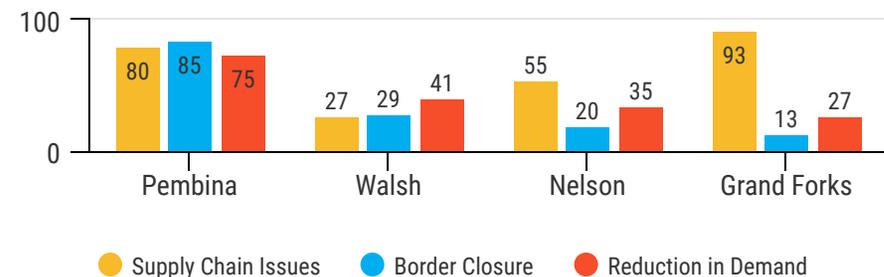


66%

Want/need help with workforce training, certifications in technology, health care

Many businesses adapted to at-home and online service models, however, many small and local businesses experienced barriers to adaptation. Businesses indicated they experience financial and other barriers to the technologies, training, and e-commerce development that they need.

Biggest Pandemic Impacts On Local Businesses



Resiliency Goal 1: Accelerate Business Recovery



Strategy 1.2: Help small businesses and revitalize Main Streets through efforts that improve business infrastructure and create new opportunities.

Project

532 Hill Kitchen & Business Incubator



Overview

Food businesses and main street retail and service businesses were hit hard by the unusual stresses and changes caused by COVID-19. These are lifeline businesses for rural communities, and are crucial for quality of life, for capturing and multiplying local dollars, for retaining population, and for attracting and retaining workforce and visitors.

532 Hill Kitchen & Co-Lab is a shared-use commercial kitchen, business incubator, and coworking/digital entrepreneurship space that would be located on the City of Grafton's main street, called Hill Avenue.

The proposed business incubator is anticipated to create 28 to 56 jobs in the first nine years through new business starts and expansions of existing food and hospitality businesses. The addition of new, permanent food-based businesses to area Main Streets will positively impact other industries and employers. This project anticipates an enrollment of 1 to 3 early-stage entrepreneurs a year in the business incubator.

In April 2022, EDA notified the RRRC that the project has received preliminary selection for funding. The grant application requests \$1.6 million in support of a \$2 million renovation to create 532 Hill. Local, RRRC and private partners committed \$551,000 to this project in late 2021.

Partners

Partners, investors, and supporters of this project include:

- Red River Regional Council
- City of Grafton
- Walsh County Job Development Authority
- Walsh County Commission
- Marvin Windows & Doors
- Polar Communications
- Center for Innovation, University of North Dakota
- NDSU Extension Service
- Northern Plains Resource Conservation & Development Council
- Grafton Area Chamber of Commerce and Farmers Market
- ND Department of Agriculture
- North Valley Career & Technology Center
- North Dakota Small Business Development Center
- ND Department of Commerce
- Pembina County Job Development Authority

Resiliency Goal 1: Accelerate Business Recovery



Strategy 1.2: Help small businesses and revitalize Main Streets through efforts that improve business infrastructure and create new opportunities.

Project

532 Hill Kitchen & Business Incubator

The pandemic caused lifeline food businesses to cut 46% of workers in 2020. Overall, regional rural communities have lost 21% of jobs since 2017. Walsh and Pembina Counties have lost 40-50% of their restaurants over the past decade.

Creating new firms to repopulate main streets, especially in food, captures local dollars and improves community resiliency and quality of life.

The purpose of 532 Hill, a proposed business incubator, commercial kitchen, and innovation hub, is to boost economic pandemic recovery and resiliency by overcoming legal, regulatory and financial barriers that currently prevent local entrepreneurs and business owners from expanding their market reach and facilitating the addition of new businesses as well as an entrepreneurial ecosystem to the area economy.

With a focus on equity and access, 532 Hill intends to significantly empower entrepreneurs who are women and/or members of underserved minority populations, and other rural entrepreneurs, to develop their own businesses, enabling greater economic opportunity, higher wages and more sustainable incomes, and greater diversity in local communities and the regional economy. The barriers to business creation and market scale are significant for members of indigenous nations, people of Hispanic/Latino and/or African descent, and women of all ethnic/cultural backgrounds.

By making targeted business incubation programming and services accessible to rural entrepreneurs, 532 Hill would accelerate the revitalization of Main Streets by creating businesses that would add diversity and new permanent establishments to Grafton and rural communities across the region.

By supporting the successful development of new food-based businesses, and by increasing the market access of existing businesses via digital upskilling and e-commerce development, the business incubation and entrepreneurship programs would move the region and the state of North Dakota closer to the goal of increasing resiliency of its agricultural and food-processing industry through the development of value-added food businesses that enhance local communities and improve the availability of local foods while stimulating the regional economy.

The proposed project is designed to increase entrepreneurship, bring businesses to scale, add new jobs, contribute to workforce development, attract private investment, and increase the economic opportunities for women and underserved minority communities who comprise the majority of home-based food business owners.



Local food producers in northeastern ND will have the ability to thrive and grow and feed their community thanks to this project. Nothing is more important to rural America than communities like Grafton that creatively find a way to help people achieve their food production business goals. And when those goals become a reality, communities receive fresh, healthy food and true economic growth.

Danielle Mickelson, Owner, Mickelson Tiny Plants and Lena's Fresh Farmers Market; Executive Director, Rolla JDA (pop. 1,218); and Northeast Representative, ND Farmers Market and Growers Association. Danielle has been an advisor on the 532 Hill project.



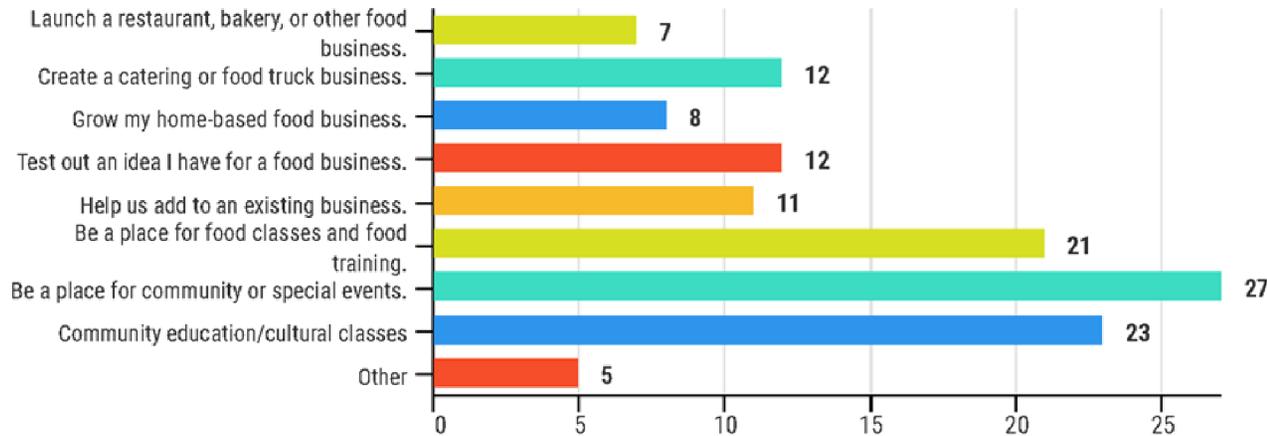
Sample baked goods by Brittany Such, a Grafton home-based baker

Survey Insights at a Glance

The purpose of the proposed commercial kitchen & business incubator is to empower early-stage entrepreneurs, help new businesses get a solid start, and provide training & support for established businesses, especially those in the food industry.

The insights here are from an interest survey sent out in January 2022 by the Red River Regional Council to gauge interest in a shared-use commercial kitchen & business incubation program among community residents, businesses, and potential entrepreneurs. The responses to the survey, originally created by Iowa State University/Leopold Center, reflect robust interest from existing businesses, cottage entrepreneurs, potential incubator clients, and community members.

How would a shared-use commercial kitchen & business incubator program benefit you?

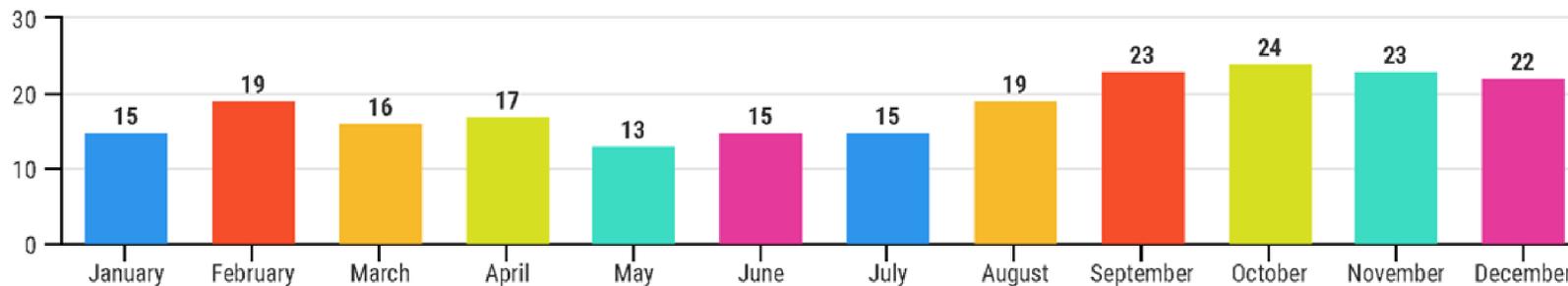


42
Survey Responses

19
Interested/Very Interested in kitchen incubator

50
Potential business ideas

What months would you use a commercial kitchen?



Resiliency Goal 2: Accelerate workforce recovery & industry competitiveness & resiliency through efforts that grow, develop, & attract workforce & businesses

Strategy 2.1: Address critical barriers to workforce retention & recruitment, such as housing, childcare, relocation costs, wages & benefits, & quality of life. Prioritize efforts and partnerships that create innovative solutions.

Project: ND Rural Housing Development Task Force

February 2022 to ongoing

Partners

ND Department of Commerce, ND Housing Finance Agency, Bank of North Dakota, Beyond Shelter, Community Works ND, Red River Regional Council, Praxis, USDA Rural Development

Objectives & Outcomes

- To understand barriers to financing, buying, & building housing in rural communities. To understand the variety of housing needs and gaps and to leverage change.
- Developed a slate of program and policy recommendations to address economic challenges of new single- and multi-family housing development and rehabilitation; developed advocacy plan for 2023 legislative session.

Project: Large Scale Housing Development, Grafton, ND

July 2021 to ongoing

Partners

Private developer, City of Grafton, Walsh County JDA, Minnkota Electric, and RRRRC

Objectives & Outcomes

- To increase housing supply.
- To attract private investment & construction of new housing to address middle-income and variety of housing options in Grafton and the rural northeast region, working to develop a large-scale, 60-unit housing development.
- Conducted site visits of sample developments.

Project: Rural Childcare Task Force

October 2021 to ongoing

Partners

City of Grafton; Walsh, Pembina, Nelson County JDAs, Child Care Aware, North Valley Career and Technology Center, major employers

Objectives & Outcomes

- To identify impacts of childcare shortages on worker retention & recruitment.
- To identify current and future childcare needs for providers and for financial assistance for workforce.
- To fill shortage in childcare, initiate awareness and discussion; and create next steps

Project: Childcare Business Development Initiative

October 2021 to ongoing

Partners

City of Grafton; Walsh, Pembina, Nelson County JDAs, Child Care Aware, North Valley Career and Technology Center, major employers

- To develop a regional, multi-agency effort aimed at overcoming barriers to financing that women business owners in childcare face.
- Nelson County JDA awarded grants to 2 women-owned childcare businesses in two rural communities in 2020 and 2021.

Resiliency Goal 2: Accelerate workforce recovery & industry competitiveness & resiliency through efforts that develop & grow the region's current & future workforce

Strategy 2.2: Accelerate future workforce development & upskilling by expanding access & support for training for in-demand skills & occupations, as well as entrepreneurship, e-commerce, tech innovation, automated systems, & growth industries.

Project: North Valley Career & Technology Center Expansion

2022 to 2024

New project includes an 11,500 sq. ft. site expansion at its regional hub in Grafton, adds four classrooms in Minto, upgrades greenhouse in Park River and creates a satellite location in Cavalier, N.D., for high school & adult training & vocational education.

Partners

North Valley; Park River, Minto, and Cavalier school districts; Red River Regional Council; ND Department of Career and Technical Education; broad slate of regional private and public funding partners

Objectives & Outcomes

- To expand education to create career pathways for automated manufacturing, precision ag, food processing, information technology, health sciences, business education for high school and adult students
- Secured \$9.4M in fall 2021 and early 2022 for all expansion plans; architectural and construction planning

Strategy 2.3: Accelerate efforts to create a positive workforce climate & promote the region's local business opportunities, goods & services, employers, and communities.

Project: Workforce Attraction Marketing Campaign & Relocation Guide

2021 to ongoing

Partner

Pembina County JDA Other groups may also join.

Project: Building Tomorrow's Workforce

2014 to ongoing

Partners

North Valley, Walsh and Pembina County JDAs, RRRC, regional school districts and businesses

Objectives & Outcomes

- Strategic collaborative initiative between businesses, K-12 & secondary education partners, and job development agencies aimed at developing programs for K-12 students, workforce recruitment, current employees, and more, to grow & attract workforce & new businesses.
- Engage more than 1,500 3rd through 12th grade students to provide entrepreneurship and career exposure opportunities through Marketplace for Kids, Youth Entrepreneurship Camp, MFG Day, Explore NVCTC, Northern Valley Career Expo, job shadowing and internship programs

Project: Tuition Assistance Initiative

2021 to ongoing

Partners

Pembina County JDA and city of Cavalier; Walsh County JDA and City of Grafton. Other groups may also join.

Objectives

- To attract and grow workforce and businesses in high-demand occupations & industries through grants or other offsets for tuition costs.
- To promote business usage of the ND Career Builders programs by providing a portion of matching funds for businesses to recruit new employees through providing tuition/scholarship incentives which include a 3-year work commitment.

Resiliency Goal 2: Accelerate Workforce Recovery



Strategy 2.2: Accelerate future workforce development & upskilling by expanding access & support for training for in-demand skills & occupations, as well as entrepreneurship, e-commerce, tech innovation, automated systems, & growth industries.

Project

North Valley Career Technology Center

A key barrier to economic growth has been the workforce shortage in this region as well as across North Dakota. In response, funds were appropriated in the 2021 legislative session to expand access and programs in the state's network of career and technology education. North Valley has been serving northeastern North Dakota through its headquarters in Grafton and in partnership with multiple school districts.

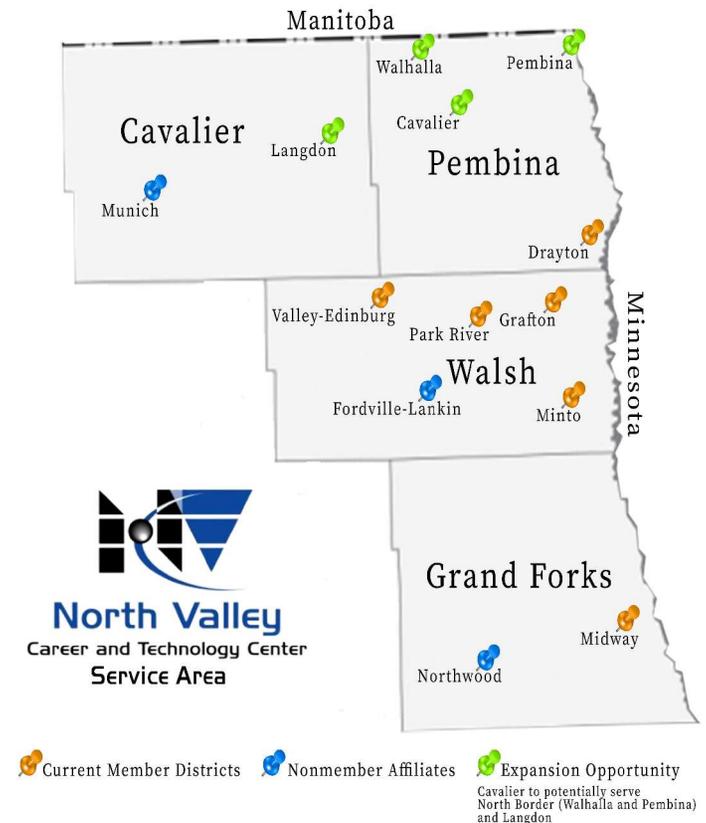
North Valley proposed multiple facility expansions within its network including:

1. an 11,500 sq ft expansion of the headquarter facilities in Grafton
2. four new classrooms in Minto
3. greenhouse in Park River
4. new satellite location in Cavalier to also serve Langdon, Walhalla, and Pembina school districts with four classrooms and a greenhouse

Program areas that will be expanded as a result of these facility expansions include:

- automated manufacturing with machine tooling equipment, robotic welders and CNC mills and lathes
- precision agriculture and food processing
- business

North Valley received approval of its \$4.8 million state grant request in March 2022. These funds are being matched 1:1 with other public and private funding sources and partners for a total investment of \$9.4 million.





Resiliency Goal 3: Accelerate community recovery through efforts that advance placemaking & destination development & improve quality of life.

Strategy 3.1: Develop businesses, attractions, & infrastructure that grow & diversify the region's value-added tourism, travel & recreation industry & improve quality of life.

Project: Frost Fire Park Infrastructure Improvement & Expansion Project

January 2021 to September 2023

Partners

Pembina Gorge Foundation, State of ND, Cities of Walhalla and Cavalier; Red River Regional Council; Pembina County JDA; and North Central Planning Council

Outcomes

The project will replace and expand snowmaking infrastructure including water intake, retention pond, electrical and water systems, and snowmakers. Project will enable keystone recreation attraction to continue operations and will allow park to extend season & hours of operation, stimulating more economic activity.

Project: Vulnerable Industries Recovery Initiative

2020 - ongoing

Partners

Nelson County JDA, Walsh County JDA, Pembina County JDA, Grand Forks County JDA, Rendezvous Region Tourism Council, and other partner organizations and communities.

Objectives

- To strengthen, & develop businesses in the value-added travel, tourism, recreation, cultural, historical, accommodation, and food-service industries that were most vulnerable to, and most impacted by, COVID-19 pandemic.

Outcomes

- Awarded grants and other financing to 10 businesses and organizations in food, recreation, and culture in 2020 and 2021.
- Created connections between new leadership at the ND Parks and Recreation Department and the region; strengthened Pembina Gorge Foundation; connected private sector in value-added industry with more resources.

Strategy 3.2: Help communities & regional groups accelerate placemaking, destination development, & promotion.

Project: Destination Red River Region Initiative

June 2021 to ongoing

Partners

Red River Regional Council/EDA; City of Cavalier/ND Department of Commerce; Pembina, Walsh, and Nelson County JDAs; Grand Forks CVB; and Rendezvous Region Tourism Council

Objectives

To engage communities in a 12-month process under the direction of Roger Brooks International to create a regional destination development action plan.

Project: Rendezvous Region Tourism Council.

2016 to ongoing

Partners

Cavalier, Pembina, and Walsh County JDAs, ND Tourism, City of Grand Forks, ND Parks and Rec, NDSU Extension, RRRC

Objective / Outcomes

A 3-county tourism initiative launched in 2016 as a resurrection of a 30+ yr old effort. To market, educate and support amenity development. More than 100 public and private members.

Project

Arts Across the Prairie

Partners

ND Council on the Arts

Resiliency Goal 3: Accelerate community recovery through efforts that advance placemaking & destination development & improve quality of life.



Strategy 3.3: Develop businesses, attractions, & infrastructure that grow & diversify the region's value-added tourism, travel & recreation industry & improve quality of life.

PROJECT

Frost Fire Park Infrastructure Improvement & Expansion



- Pembina Gorge Foundation awarded \$2.17 million Travel, Tourism, & Outdoor Recreation grant from EDA in March 2022 for Frost Fire Park infrastructure improvements & expansion. Funding made possible through the American Rescue Plan Act (ARPA).
- The grant is being matched by \$900,000 in state funds with the Cities of Cavalier and Langdon providing funding support for the required preliminary engineering report.
- Frost Fire Park is located 7 miles west of Walhalla, ND, in Cavalier County. Owned by the Pembina Gorge Foundation, Frost Fire is a four-season outdoor recreation center, restaurant, community theatre, and events center occupying 172 acres atop Crary Mountain (1,400 ft. elevation and 330 ft. vertical) in the Pembina Gorge. Surrounded by fields, the gorge is a uniquely forested and rugged glacial meltwater valley that cuts across Manitoba into northeastern North Dakota.
- The grant will enable the Pembina Gorge Foundation to replace non-operational and unsafe snowmaking equipment and infrastructure which allow the park to lengthen its ski season.
- The grant comes in support of long-term recovery of tourism and outdoor recreation activities in the region. The project is expected to help create 23 jobs.

Partners

- Pembina Gorge Foundation
- Pembina County Job Development Authority
- Red River Regional Council
- North Central Planning Council
- KJ Engineering
- City of Cavalier
- City of Langdon
- ND Department of Commerce

Resiliency Goal 3: Accelerate community recovery through efforts that advance placemaking & destination development & improve quality of life.

Strategy 3.2: Help communities & regional groups accelerate placemaking, destination development, & promotion.

PROJECT

Regional Destination Development

- Region-wide Destination Development Action Plan development involving businesses, residents, leaders, groups in 4 counties & 42 communities.
- September 2021 to May 2022

Work engaged

- 15-member Regional Leadership Team
- 4 county teams
- 600 survey participants
- 2,000 photos taken

Objectives

- To engage communities, leaders, & businesses in assessing community, cultural, natural, & other assets, as well as weaknesses, from the perspective of regional visitors, tourists, and potential businesses and employees.
- To work with destination development agency Roger Brooks International to use assessment data for the development of a regional action plan and to guide local plans.

Outcomes

- Hosted four county-wide workshops to reveal findings of secret shopping assessment of 42 communities, state parks, Frost Fire, lakes/dams
- Hosted five focused conversations in Walhalla, Grafton, Frost Fire, large employers/elected officials
- More than 350 attendees
- Four county, Frost Fire and Rendezvous Region action plans with workshops in May 2022



Partners

- Red River Regional Council / EDA
- City of Cavalier / ND Dept of Commerce
- Rendezvous Region Tourism Council
- Grand Forks Convention and Visitors Bureau
- Nelson County JDA
- Pembina County JDA
- Walsh County JDA

Goal 4: Develop resiliency & economic diversity by creating an entrepreneurial & innovation ecosystem with regional rural-urban connectivity

This resiliency goal and strategies are aimed at creating the regional relationships and infrastructure for a rural entrepreneurial ecosystem that supports local businesses with digital upskilling, expands e-commerce capacities and provides the capacities necessary for digital entrepreneurs and remote workers to establish their homes and businesses in rural areas, but work with clients and markets everywhere.

Many of the efforts under this goal are developing and will be part of future projects.

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| <p>Strategy 4.1: Support efforts to increase rural broadband services, connectivity, and digital skills in businesses and homes.</p> | <p>Strategy 4.2: Support efforts to develop & attract digital entrepreneurs, localize and grow e-commerce, and catalyze new business development.</p> | <p>Strategy 4.3: Work with regional industries & partners, especially the City of Grand Forks, the University of North Dakota, and the growing tech industry there, to harness opportunity, help local businesses & industries navigate technological change, and to foster a rural-urban innovation ecosystem. Work with industry groups and major employers in manufacturing and healthcare to navigate technological and market changes.</p> |
| <p>Project: Improving Rural Broadband 2020 to ongoing</p> <p>Partners Polar Communications; industry partners, others.</p> <p>Overview In 2020 and 2021, the region’s broadband internet provider, Polar Communications of Park River, N.D., received \$25 million in USDA grants and loans to expand its high-speed broadband network (up to one gigabit) to underserved rural businesses and communities in the region. This strategic infrastructure investment in rural broadband bridges the digital divide in this underserved rural area and is critical for positioning the rural communities of Region 4 for the future of work and the growing impact of automated systems and other efficiency technologies on agriculture and manufacturing – two of the region’s core industries.</p> | <p>Project: Growing Digital Entrepreneurs</p> <p>Overview In development.</p> | <p>Projects: Several in development</p> <p>Partners Center for Innovation at the University of North Dakota in Grand Forks, ND; Grand Forks Chamber of Commerce; Grand Forks Region EDC</p> |

Goal 5: Incorporate resiliency strategies in economic and natural disaster planning. Assist with mitigation projects related to natural & economic disasters.

The region is the most heavily impacted region in North Dakota with federally-declared disasters – nearly one each year. These regular, cascading events have had a significant impact on the local resources and mindset having to constantly battle and recover from weather-related disasters.

This resiliency goal focuses on working with current disaster and emergency management planning relationships with counties and other regional partners to harvest insights, gather new data, and incorporate resiliency resources in disaster planning, mitigation, and response.

Projects that support this goal are ongoing and in development.

Strategy 5.1: Create structures for effective crisis communication across sectors.

Projects include ongoing disaster & emergency management relationships; crisis planning; disaster mitigation funding, and more.

Strategy 5.2: Create a data-driven strategy for future shocks from weather & other potential events.

Strategy 5.2: Create a data-driven strategy when developing disaster plans to prepare for and mitigate impacts from future weather & environmental events.

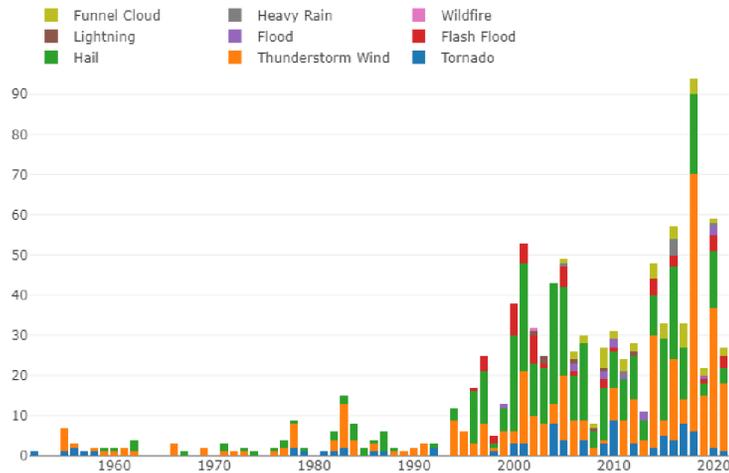
2022 marks the 25th anniversary of the 1997 Red River flood. This massive weather-related disaster involved rain, snow, ice jams, and flooding. The 1997 Red River flood caused 100,000 people to evacuate their homes in North Dakota, Minnesota, and Manitoba. Damages were estimated at more than \$4 billion.

Economic recovery from that event is still underway in some communities. As these charts from the National Oceanic and Atmospheric Administration show, the Red River Region's counties have experienced a surge in extreme weather events since the late 1990s.

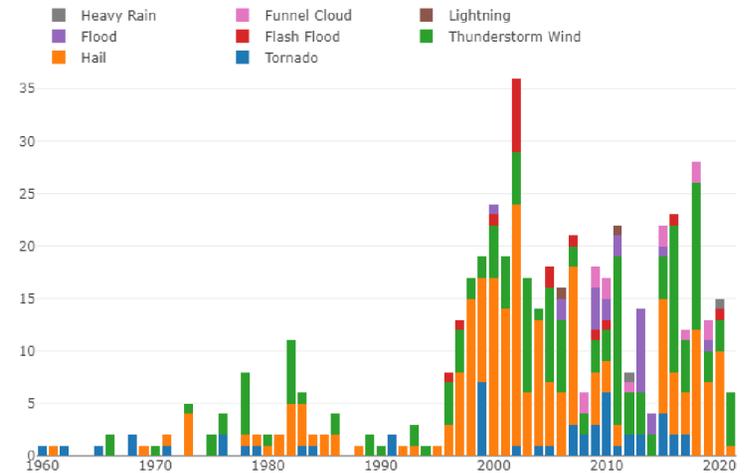
Between 1997 and 2021, North Dakota has experienced 14 weather disasters that have caused damages in excess of \$1 billion.

The frequency and intensity of weather events seems to be increasing. As the NOAA data show, Red River Region counties are also experiencing more years with multiple severe weather events.

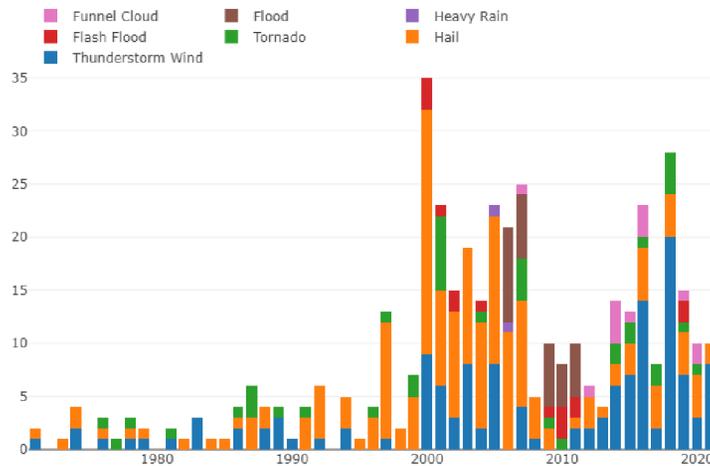
Grand Forks County



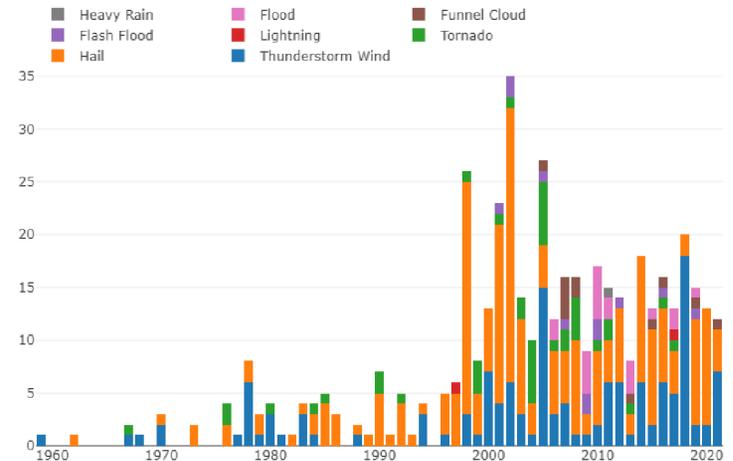
Walsh County



Nelson County



Pembina County



Source: <https://www.ncei.noaa.gov/access/monitoring/billions/>

Disaster Preparedness

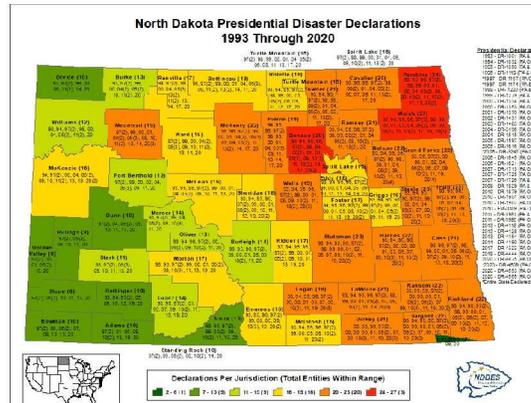
Strategy 5.2: Create a data-driven strategy when planning disaster plans to prepare for and mitigate impacts from future weather & environmental events.

Resiliency Planning: Using past experiences to inform future economic strategies & adaptations

Multiple, overlapping, and increasingly frequent weather-related disasters have, and are, taking an extraordinary toll the four counties in the Red River Region, identified in red and orange on this map.

In 2021, the state experienced multiple federally-declared weather disasters that are not listed on this map. The combined impact of drought and severe storms in 2021 in North Dakota is estimated between \$2 and \$5 billion.

In climate research, multiple, overlapping, disastrous weather events are known as "compound extremes." The impacts and costs from compound extreme events causes a cascade of costs to local governments, businesses, communities, leaders,



volunteers, residents, and future residents. These costs go beyond the added expenses of damaged infrastructure and lost economic products and services. Rather, improvements, new businesses, and economic and community growth that might have happened had the disaster not occurred are also lost.

According to the National Climate Assessment (2017), "the physical and socioeconomic impacts of compound extreme events (such as simultaneous heat and drought, wildfires associated with hot and dry conditions, or flooding associated with high precipitation on top of snow or waterlogged ground) can be greater than the sum of the parts."

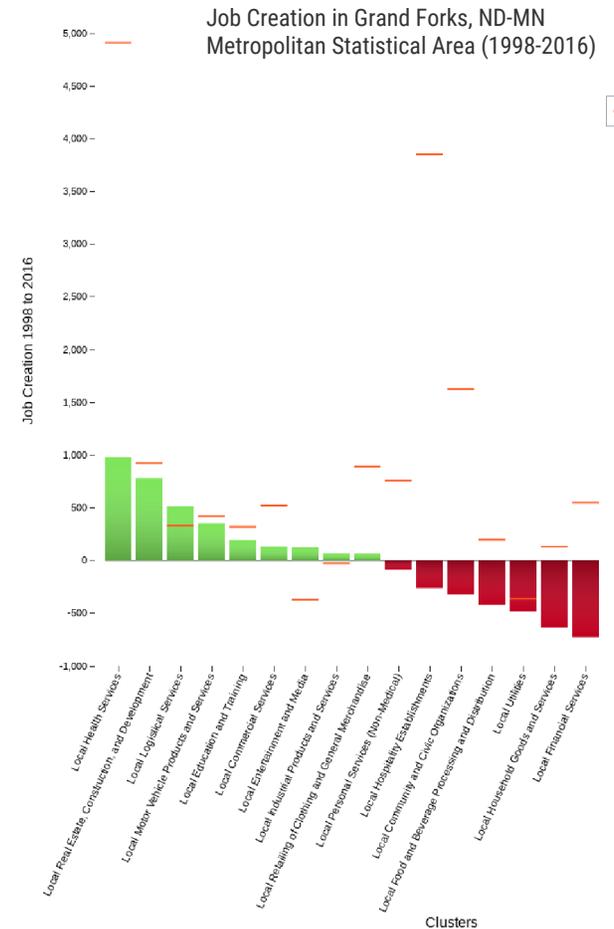
Resiliency & Disaster Preparedness

The second chart on this page shows a projection from the Harvard Business School Institute for Strategy & Competitiveness, that tallies the jobs that were created in the Grand Forks, ND-MN metropolitan statistical area between 1998 and 2016.

The orange lines above and below the green or red bars for each industry indicate the jobs that were expected to have been created -- or lost -- had economic growth in the region.

The Grand Forks ND-MN MSA was devastated by the Red River flood in 1997. The flood filled the downtown business centers of Grand Forks, ND, and East Grand Forks, MN, resulting in catastrophic damages. Although Grand Forks and other damaged communities have rebuilt and regained momentum over the past 25, the flood changed the region's economic and community systems.

As the graph shows, the region would have likely added nearly 4,000 more jobs in health care, 3,800 more jobs in hospitality, and nearly 1,000 each in retail and personal services.



Jobs that were expected had the economy grown given national trends.

Source: [U.S. Cluster Mapping Project](#), Institute for Strategy and Competitiveness

Resiliency Recommendations

Recommendations

The Red River Region's counties, especially those with rural populations, will be better able to withstand, avoid, and recover from disruptions, if they are able to:

Target the development, market growth, and innovation to increase the competitiveness of core local industries. This would include increasing scale, wages, and creating local supply & value chains.

Continue resilient community development efforts aimed at improving a life-stage continuum of housing, services, care, activities.

Develop partnerships that support workforce training and business development in digital skills, businesses, e-commerce, robotics, & digital innovation.

Use new data to track impacts & inform strategies on industries, supply chain futures, housing, workforce, & more.

Strategize for generative economic variety, increased private investments, & wage growth.