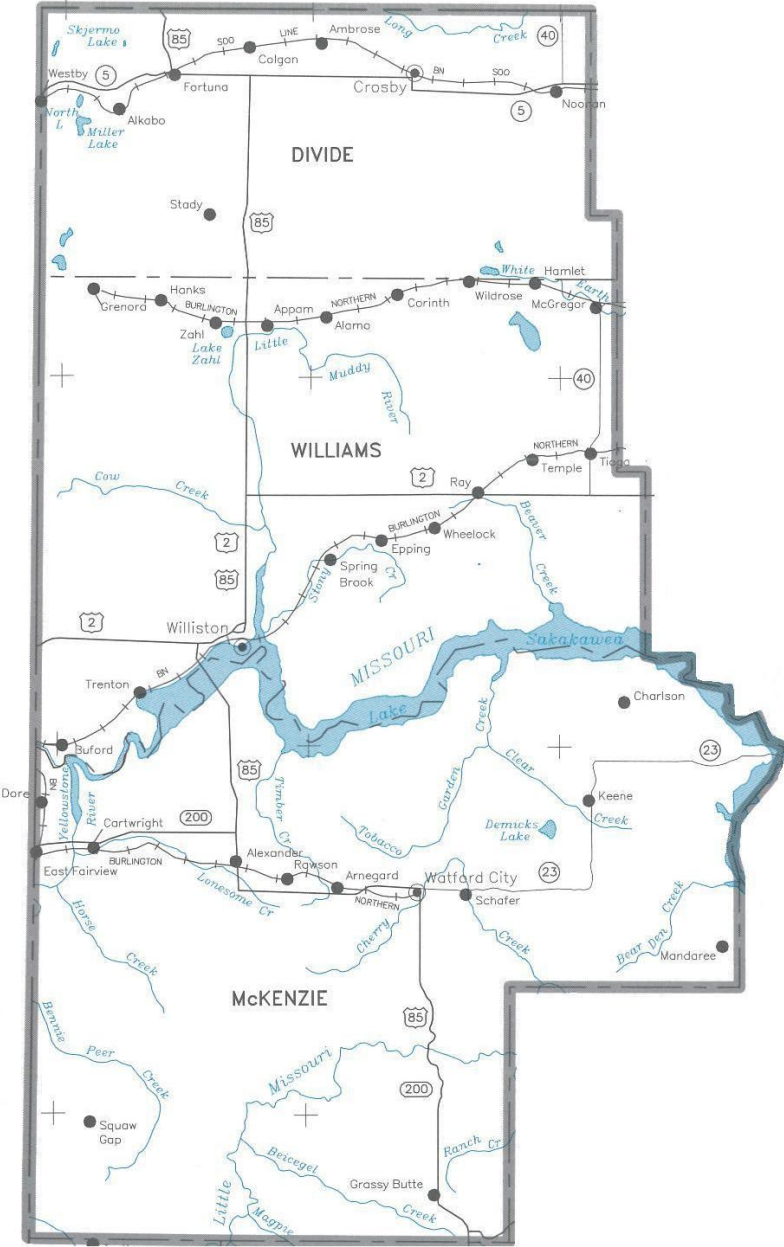


Comprehensive Economic Development Strategy Plan 2017-2021



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Executive Summary

Every five years regional councils that receive planning funds from the Economic Development Administration are afforded the opportunity to complete a self-assessment in terms of their current activities, potential opportunities within the region they serve, and any areas of improvement in their program delivery. The Tri-County organization uses the Comprehensive Economic Development Strategy to review and assess the activities of the organization; the efficiency of the organization in carrying out the planned activities; any changes to the local and regional economies; and any potential weaknesses or shortfalls in addressing these weaknesses. Within the past several years, the regional economy has changed dramatically due to the energy boom.

The priorities of our organization within the region have changed. Our main priorities used to be in the areas of job creation and out-migration with a strong emphasis in diversifying the regional economy and affordable housing. With all of the new wealth, companies, and work force that have moved into the region the priorities have changed significantly. Many or all of our communities are now able to secure the services of engineering firms for project development, grant applications, strategic plans, etc. Although these changes have somewhat diminished the role of our regional council in these activities it has increased the need for infrastructure development/replacement within the region.

The energy boom, the diminished role of the regional council, and the limited involvement of the strategy committee have facilitated the need for change. In order to solicit more input and stakeholder involvement, the Board of Directors of Tri-County is now the strategy committee. The Board of Directors meet on a regular basis and is comprised of key stakeholders within the region. In developing the CEDS document over the past several months, past CEDS documents were reviewed, the condition of the current regional economy was looked at, and the diminished role of our regional council was considered in the development of the new strategies. The main goals of Tri-County for the 2017 – 2021 CEDS will be to develop new or expanded infrastructure for those communities in need, create new businesses with retail as a priority,

expand/diversify the current housing stock, and diversify the agricultural economy. The regional economy is strong and vibrant at the moment and is expected to stay that way for many years to come.

The intent of the five year CEDS plan is to allow staff of the organization to plan, develop, and implement projects in the various sectors of the regional economy utilizing the strength of the regional economy and the professional resources of local and regional developers, city/county officials, state/federal officials, etc.

Upon implementation of the CEDS priorities, during the next five years the staff of Tri-County will work in the areas of community development to leverage local/state resources to assist in the promulgation of approximately \$15M to \$20M in water/sewer/housing/public facility projects; approximately \$10M plus in private sector investment for business development and job creation; and \$5M to \$10M in private investment for agricultural processing/research projects.

Introduction

The Comprehensive Economic Development Strategy (CEDS) is a regional strategy driven plan that serves the purpose of providing guidance to the regional council in its endeavor to improve the region in the area of economic development. The CEDS document takes into account all of the region's assets, strengths, and weaknesses and through the process of collaboration develops various strategies that can be used to address the identified weaknesses within the communities of the region. The plan can be used as a roadmap in guiding current and future efforts to improve those regional conditions that have been identified by stakeholders as a weakness in the region.

The CEDS plan is meant to be a living document in that it can be changed from year to year to reflect those changes taking place within the region. It is not meant to replace any other existing plans already in place but to augment those efforts that are currently being undertaken by other economic development groups, cities, counties, etc. It is only through the combined efforts and activities of all of our stakeholders will the region be able to plan and build upon the successes that have been improving our region.

The CEDS plan is designed to reflect the common goals and activities of all our stakeholders that are realistic and achievable.

The strategy committee is comprised of Tri-County board members, regional developers, and other community members. It was felt that with a core group of Tri-County board members as the strategy committee they would have: a better knowledge of the activities of the organization as they meet on a regular basis; a better feel for the current state of the regional economy, and could provide a clear direction on the emphasis areas of the five year CEDS plan. The strategy roster is as follows:

TCRDC Strategy Committee

Name	Company/Area of Interest	Position
Justin Voll	City of Watford City	President – City Council
Gene Veeder	McKenzie County	Tourism – Ranch Owner
Martin Hanson	Williams County	Comm. – Farm Owner
Tate Cymbaluk	City of Williston	Commissioner – Owner
Henry LaDue	Trenton Indian Serv. Area	Chairman
Doug Graupe	Divide County	Comm. – Farm Owner
Bert Anderson	City of Crosby	Mayor/Owner
Drake McClelland	City of Tioga	Mayor
Kent Pedersen	McKenzie County	State Govt/Farm Owner
Jay Olson	Divide County	Farm Owner
Patrick Hatlestad	Williston Chamber Comm.	President/State Rep.
Dr. John Miller	WSC/Workforce Dev.	President
Fran Zerr	Job Service North Dakota	Customer Serv. Specialist
Sue Zavalney	NRCS	State Government
Chris Brostuen	City of Williston	Commissioner
Shawn Wenko	City of Williston	Economic Dev. Director
Alfred Slater	Trenton Indian Serv. Area	Planner
Brad Bekkedahl	City of Williston	Commissioner/Owner
Kaycee Lindsey	Divide County	Economic Dev. Director
Daniel Stenberg	McKenzie County	Economic Dev. Coord.
Keith Olson	Small Bus. Dev. Center	Director

Mission Statement

In developing the past and present CEDS documents, the stakeholders of the strategy committee have always kept in mind the mission statement of the organization:

“Tri-County was organized to enhance communities and economic development efforts in the district by supporting and coordinating activities with other organizations, agencies, and individuals directed towards the positive, cooperative long term development of the district.”

Being so rural in nature, it has only been through the collaboration of stakeholders, agencies, and community leaders that the foundation was laid for many of the improvements that the region enjoys today. and become resilient enough to weather downturns and natural disasters in the regional economy.

Purpose of Tri-County Regional Development Council

The Tri-County Regional Development Council is a regional planning council that was created by the counties of Williams, Divide, and McKenzie and the city of Williston. City and county commissions were given legislative and administrative authority to create special districts to provide specific governmental services. Divide, McKenzie and Williams counties, through a joint-powers agreement, formed TCRDC to provide community/economic development planning, implementation assistance, and business development assistance that will lead to sustainable growth and development of the region.

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Summary Background

The regional economic conditions of the Tri-County Economic Development District can best be described as rebounding from a recent energy development boom. Up until about 2006, the regional economy was based primarily on agriculture, the service and professional industries, and to varying degrees the cyclical oil industry. The three counties within the regional area was facing serious problems of out-migration due to the lack of available jobs for college graduates. Many of the college graduates were moving out of state to take jobs in their respective fields as the regional economy was not diverse enough to provide jobs in their fields. At the same time, many of the small farms in the region were being sold for economic and consolidation purposes as these “small farmers” could not make it. The loss of family farms and the younger generation of college graduates to out of state jobs all contributed to the out-migration problem in western North Dakota.

Up to that point in time, the emphasis of the Comprehensive Economic Development Strategy within the Tri-County Economic Development District was stemming out-migration of our college graduates; creating good paying jobs; and diversifying the regional economy.

Since the energy boom that began in 2007, western North Dakota, especially the counties of Divide, McKenzie, and Williams, a remarkable change and transformation has taken place in the regional economy in every area. According to Job Service as of 2016, 60% of the top ten employers in each county are now in the private sector. (See Appendix 1). In the private sector, 18 of the 30 employers are in the areas of oil and gas extraction, truck transportation, pipeline transportation, construction, retail, nursing homes, and hospitals.

Advances and changes in the drilling techniques, technology, fracking process, etc. has brought new companies, new wealth, a new workforce, better paying jobs, an increased diversified economy, etc.

Some of the changes that have taken place and the new direction of the Tri-County Economic Development District are as follows:

Demographics

In 2000, according to the U.S. Census Bureau, the population in the region was 27,781. In 2010, according to the U.S. Census Bureau, the population in the region was 30,829. Since 2010, according to U.S. Census Bureau Population Estimates from April of 2010 to July of 2016, the official population estimates of the region has increased to 49,371, a 60% increase from 2010 and a 78% increase from 2000. (See Appendix 2). The largest increases in population have been in Williston, which has grown from 14,716 to 26,426 residents; Watford City, which has grown from 1,744 to 6,390 residents; and Tioga, which has grown from 1,230 to 1,547 residents. Every community in the region has experienced significant increases in their population. Many city and county officials believe a more realistic population estimate for the region is at least 55,000 or more. The unofficial numbers are based on the number of building permits, utility hookups, employment figures, etc. The North Dakota Census Office predicts the population in the region will increase to 76,282 by 2025. (See Appendix 3).

From 2010 to 2016, the region has experienced an increase in population of 18,542 people; a natural increase as births exceeded deaths by 2,835 people; and a net migration of 15,361 people into the region. (See Appendix 4). All of these statistics point to the fact that the population of the region is getting younger with the additional workforce and many of the new workforce are making the area their permanent home as more jobs are now available in the production end of the energy boom. With the influx of the new workforce and people, the regional population has become more diverse and younger. According to the U.S. Census Bureau, from 2000 to 2016, children under the age of 5 have increased by 1.8% in McKenzie County; 1.7% in Divide County; and 2.5% in Williams County. For this same period of time, children under the age of 18 also increased in McKenzie County by 4.4%; 4.3% in Divide County; and 4.5% in Williams County.

From 2000 to 2016, the population in two of the three counties of the region also became more diverse. In Divide County, the white population decreased from 99.2% to 95.2% and in Williams County the white population decreased from 95.1% to 87.3%. While the white population decreased in Divide and Williams County, the white population in McKenzie County increased from 78.5% to 83% for the time period. From 2000 to 2016, the median age in two of the three counties also decreased. In McKenzie County, the median age decreased from 39.5 to 32.2 years old and in Williams County it decreased from 39.8 to 32.6 years old. The decrease in the median age for these two counties can be attributed to a younger workforce moving into the region and becoming permanent. In Divide County, the median age increased from 49.0 to 51.7 years old. Although the county did experience an increase in their population for this time period, the median age increase can be attributed to two things: 1) the county did not see as big of an increase in their workforce compared to the two other counties and 2) that more of the aging population in the county did not move as a result of their new wealth.

At the present time, the per capita income within the region is above the North Dakota and the national average. Per capita income within the region has dramatically increased since 2000. In 2000, the average per capita income within the region was \$ 15,907; in 2010 the average per capita income increased to \$ 28,407; and in 2016 the average per capita income has increased to \$ 40,872. When compared to the US per capita income for the 2000, 2010, and 2016 time periods; the region was below the national average in 2000 by \$ 6,292; above the national average in 2010 by \$ 1,073; and above the national average by \$ 11,852 and above the North Dakota average by \$ 8,837. The dramatic increase in all three counties within the region can be attributed to the energy sector boom and the new jobs and wealth in the region. (See Appendix 5).

The number of people living in poverty in the region has decreased significantly from 2000 to 2016. The rate in McKenzie County has decreased from 17.2% to 7.9%; in Divide County from 16.1% to 10.0%; and in Williams County it decreased from 11.9% to 6.8%. While there still remains some concerns with

poverty in the region, especially with the elderly population, the region has continued to make progress in decreasing the number. (See Appendix 6).

The unemployment rate in the region continues to be strong and low when compared to the national average of 4.2%. For 2017, the unemployment rate in Divide County was 1.3%; in McKenzie County it was 1.7%; and in Williams County it was 1.9%. Although the rate was 1.9% to 3.2% in 2016 due to the depressed oil prices, layoffs in the energy sector, slowdown in construction jobs, etc., many of the regional companies are hiring once again to fill their positions as a result of the higher oil prices. (See Appendix 7).

Employment in the region continues to be strong in going into 2017. As of December, 2016, in the region, there was a total of 35,670 people employed. Employment continued to be strong in the areas of mining, quarrying, and gas extraction; construction; all forms of government; retail trade; transportation and warehousing; and accommodation and food services. In 2016, the average annual wage for the private sector in Divide County was \$ 48,510; in Williams County it was \$ 69,997; and in McKenzie County it was \$ 70,061. The average annual wage for those people in the region for the government sector was \$ 48,941. The difference in the annual wages between McKenzie County/Williams County and Divide County can be the larger number of people employed in the mining/oil extraction and construction areas and the annual wage amounts. The largest areas of employment was in mining/oil extraction (8,269 jobs) and construction (4,626 jobs) where the average annual wage was \$ 97,775 and \$ 83,173, respectively. According to the local job service officials, at the present time there are at least 1,283 jobs available in the region through their office with at least, unofficially, another 2,500 available directly through the employers. The jobs available, in terms of wages, may not be as comparable to the boom, but the wages are still good when compared to the rest of North Dakota and the United States.

Education and educational opportunities in the region continues to be excellent at all levels. The decades long decline in K-12 enrollment in the region has been dramatically changing. From 2010 – 2015,

enrollment from K-12 in the region has increased by 2,820 students, or 66.63%. (See Appendix 8). In the last five years, Williston has built a new high school, Watford City has built a new middle school and high school, and Divide County, Alexander, Grenora, Ray, and Tioga have built new additions to their existing schools to handle the new and future students. The average student to teacher ratio in the region is 13:1, which is below the national average of 16:1. According to the most recent statistic, which is 2015, the region's average high school graduation rate is at 90.57%, which is above the national average of 83.2%.

In the area of higher education, the region has one higher education facility located in Williston. Williston State College is a two year public community college that operates within the North Dakota University System. The facility offers transfer programs leading to AA and AS degrees which can then be used to transfer to most four year colleges or universities. The facility also houses the regional workforce training office and provides training, facilities, and equipment in the areas of business & professional development, industrial safety, life & leisure, technical training, transportation, and online training in the area of leadership. Williston State College also offers the same workforce training programs at its new satellite facility in the Rough Rider Events Center in Watford City. The current enrollment of WSC is 1,038 students and it continues to grow and adapt to the needs of the region's workforce. Within the region approximately 21.47% of the individuals have obtained their bachelor's degree or higher.

WSC also provides administrative support for the Small Business Development Center (SBDC), which is sponsored by the Small Business Administration. The primary purpose of the SBDC is to assist clients in developing new businesses or expanding existing businesses within the region.

Geography

The Tri-County Economic Development District is situated in the northwest corner of North Dakota and encompasses the following counties: Divide, Williams, and McKenzie. This area is bordered on the west by Montana and on the north by the Province of Saskatchewan, Canada. The area contains 6,072 square miles and 3,875,760 acres of which urban lands comprise only a small percentage. The region has abundant land, water,

wildlife, and natural resources. The region lies in the physiographic region known as the Missouri Plateau Section of the Great Plains Province of the Interior Plains. The plateau is characterized by deposits of glacial drifts and is divided into two sections by the Missouri River.

The region is also home to the Bakken Shale formation, which at one time the US Geological Service called the largest continuous oil accumulation it had ever assessed. At the present time, production in the state has reached over 1 million barrels per day. Most of the production has been coming from this region. With advances in technology, the potential exists for production to reach at least 2 million barrels per day but that will depend on market conditions, supply, etc.

Developing the regional economy has been a challenge for local and regional officials in terms of balancing the need for economic diversification and growth versus the environmental impact and concerns that are being created as a result of the energy sector boom.

Air & Ground Transportation

Within the region, there are three municipal airports and one regional airport. The three municipal airports are Tioga, Watford City, and Crosby. All three airports have undergone renovation in the past several years and can handle small aircraft and private jets.

The regional airport is in Williston and it handles private and commercial aircraft, charter services, UPS jets, Federal Express jets, etc. Delta Airlines and United Airlines now provide daily flights to Denver and Minneapolis. As a result of the recent energy boom and significant increase in enplanements, planners and engineers for the City of Williston have conducted analysis/studies that have determined the recent growth and forecasted needs of the region will be too much for the existing airport to handle. The city is in the process of planning/constructing a new \$240M+ plus regional airport that will be able to handle ARC D-III aircraft and larger. Once the new regional airport is completed, the number of daily flights in and out of Williston is expected to increase, there is the potential of new

airlines coming in to provide service, and larger aircraft (more than 20 passengers) are expected to service the airport.

The highways, roads, and rail system within the region are in excellent shape. Since most of the traffic in the region is for the shipping of goods; oilfield traffic to and from the work sites; and the general public; major renovations have taken place in the last few years. Highway 2 from Williston to Minot is now a four lane highway; Highway 85 from Williston to Watford City is now a four lane highway with plans on expanding the four lane highway from Watford City to Belfield; truck bypass reliever routes are now in place for Williston, Alexander, and Watford City; and the new Lewis & Clark Bridge south of Williston on Highway 85 is in the final stages of completion. The renovations have made the road system in the region safer, decreased travel time to and from destinations; and decreased truck traffic through the communities.

The region also has railroad, motor freight, and parcel service available to transport goods, passenger/freight service, etc. Amtrak and Burlington Northern Sante Fe provide passenger/freight service out of Williston. At the moment, there at least eight (8) different companies that provide freight services in the region and at least six (6) different companies that provide parcel service. There are also seven (7) trans-loading facilities located in Williston, Trenton, Tioga, Epping, and Dore.

Infrastructure

Since the energy boom hit the area and the unprecedented growth, many communities within the region have undertaken projects to address their infrastructure needs. Communities such as Williston, Watford City, Tioga, and Crosby have annexed additional land into the city limits for current and future development, upgraded the existing water/sewer/lagoon systems, improved downtown areas to attract new businesses, implemented city wide sales tax to assist in infrastructure projects, implemented economic development programs/funding to assist small businesses, etc.

While the larger communities within the region continue to upgrade their infrastructure needs, many of the smaller communities still continue to struggle financing the needs due to their limited tax base, limited bonding capacity, and declining Federal/State grant opportunities. These communities continue to have a larger share of the aging infrastructure that is currently in place.

The housing market in the region is beginning to get stronger after a downturn in late 2015 and all of 2016. Thousands of new housing units, both residential and multi-family units, have been built in the region in the last ten years to handle the influx of the new workers. During the energy boom, the number of new building permits and prices for new housing and rental units increased dramatically. Rental units during the energy boom were as much as \$3,000 per month are now right around \$ 1,000 per month. The average cost per home in the Williston area right now is approximately \$ 230,000. At the moment, there are hundreds of new homes/rental units available in the larger communities within the region as in the last two years the prices have decreased significantly due to the downturn in energy prices, a significant number of workers leaving the area, and less demand for the units.

The vacancy rates for hotels/motels has increased to approximately 45%. Affordable housing, which used to be a problem before and during the energy boom, has experienced an increase in vacancy rates the last two years. Housing authorities in Williston, Crosby, Watford City, and Tioga are experiencing up to 30% vacancy rates and all of them no longer have waiting lists. Most of this can be attributed to the decrease in demand of market rate rentals and the monthly rental amount, which has triggered some of the low income tenants to move into the newer rental units.

The real estate market in the region continues to be steady and from all indications, looks to be turning around as a result of 2015/2016. According to the recent Real Estate Economic Summit, panelists at the summit felt that turn around will result in stability and long term growth. The abundance of commercial, residential, and rental properties, along with an increase in local investment, have all helped to stabilize the regional market.

One of the main concerns with the energy development was the ability and capacity of the utility companies to keep up with the utility demands of the residential/commercial/industrial needs within the region. At least one new power plant and three new transmission lines have been installed in the last five years. The upgrades have added 100 MW of new power to the existing grid system; one transmission line was upgraded from 115 KV to 230 KV; and a new transmission line of 345 KV was added to the system. The utility companies now have the capacity to handle the current and future residential, commercial, and industrial needs of the region.

Broadband

Within the region, fiber optic cable has replaced most or all of the conventional telephone cable. Additional new mobile towers have been installed across the region to enhance the existing service and provide coverage for anyone that wants it. Digital wireless service and the Internet is available to all of the communities in the region. All of the public and private school systems are computerized, have Internet access, and have video network capabilities. Broadband and digital wireless service have allowed many segments in the regional economy to be globally competitive with their products and services.

Industry Sectors

Agriculture

Agriculture has always been an important of the economy within the region as the area is well suited for the raising of small grains. Of the 2,927,558 total acres in the region, approximately 1,768,997 acres is used for cropland (60%) and 1,158,561 acres is used for pasture, woodland, and other (40%). Producers in the region continue to diversify their production by incorporating pivot systems into their farming methods. There are at least 47,400 acres in the region that are under pivot irrigation systems. High value cash crops such as alfalfa, potatoes, onions, and peas/lentils are now being raised in the region. There are currently legume processing facilities in Crosby, Ray, Ross, and Williston. Williston is also home to the largest pea/lentil splitting facility in the world –

United Pulse Trading – which purchases peas/lentils from regional producers, and then sorts, cleans, and splits the products according to current contracts/market conditions.

Although agriculture continues to be important to the regional economy, it currently accounts for approximately 7% of the workforce in the region. From 1970 to 2000, farm employment in the region decreased by over a 1,000 jobs, family farms decreased in number as corporate farms increased, and the farms became more mechanized. One of the trends of the agricultural sector in the region is the declining number of family farms, the younger generation not entering the farming business, and the current farmers aging and selling their existing farms to larger farming interests.

Energy Industry

From 2007 to 2015 the region experienced an energy boom that was unprecedented in history. The USGS released its study which confirmed 4.3 billion barrels of technically recoverable oil in the Bakken Shale formation. Oil companies began to horizontally drill new wells utilizing the fracking process, a new technique to the region that increases production exponentially. The energy boom started and things exploded in the region.

Most of the employment growth in the region was in the areas of mining, quarrying, oil/gas extraction, transportation, warehousing, and construction. Employment in the region continues to be strong in 2017. As of December, 2016, in the region, there was a total of 35,670 people employed. Employment continued to be strong in the areas of mining, quarrying, and gas extraction; construction; all forms of government; retail trade; transportation and warehousing; and accommodation and food services. In 2016, the average annual wage for the private sector in Divide County was \$ 48,510; in Williams County it was \$ 69,997; and in McKenzie County it was \$ 70,061. The average annual wage for those people in the region for the government sector was \$ 48,941. The difference in the annual wages between McKenzie County/Williams County and Divide County can be the larger number of people employed in the mining/oil extraction and construction areas and the annual wage amounts. The largest areas of employment was in

mining/oil extraction (8,269 jobs) and construction (4,626 jobs) where the average annual wage was \$ 97,775 and \$ 83,173, respectively.

The transportation and warehousing sector continues to provide significant employment opportunities in the region. In 2017 the sector has at least 3,357 people employed throughout the region and companies continue to advertise through job service or other means for truck drivers. As of 2017, the average annual wage for transportation/warehouse workers was \$ 85,089.

Oil production is currently over 1,100,000 barrels per day when it was less than 100,000 barrels per day before the boom. There were over 15,000 new jobs that were created during the energy boom. While the downturn in 2015 and 2016 saw some of the workforce follow the energy boom to other parts of the country, there are still approximately 4,000 plus jobs available in the region, mainly in the production area as this is the area that is the most stable and long term.

Since the energy boom started, there have been over 1,500 new business startups within the region. Over 500 of those new business startups have been in the City of Williston. The city now has 5 of the top 10 largest oil companies in the world with district or regional offices located in Williston. With potential changes in the nation's energy policy that will benefit oil companies, the energy sector seems poised to grow and prosper for a very long time.

Construction

Since the beginning of the energy sector boom, construction has been one of the fastest growing employment sectors in the region. As thousands of new single family homes, multi-family homes, commercial buildings, industrial complexes, etc, have been built the need for construction workers has increased dramatically. In 2017 there were at least 4,626 jobs in construction in the region with an average annual wage of \$ 83,173.

Although the number of building permits for new single family homes, multi-family units, and new commercial have decreased in 2015 and 2016 in the region, the number of building permits issued for 2017 is still over 600 and the valuation of all the permits is approximately \$ 90,482,792. The numbers indicate the construction industry remains steady, is growing in the region, and is still providing a good number of jobs in the region.

Service

For this region, the service industry includes retail and wholesale trade, food services, and health care and social services. The services industry has always been a steady provider of jobs throughout the region although within the past seven years employment opportunities have increased significantly.

In the past seven years there has been at least 500 new retail businesses and restaurants that have located in the region. Retail stores/franchises such as Buffalo Wild Wings, Papa Johns, Maurices, Cash Wise, Menards, Basils, Sportsman Warehouse, etc. are now established in the region. A recent study by Williston Economic Development indicates that the region could support additional general merchandise stores. The service sector in the region provides approximately 8,591 jobs in 2017, about 25.2% of the employment.

Government

For this region, the sector also includes public schools, colleges, universities, hospitals, and tribal entities. Within the region, Williston State College has added new programs, buildings, and expanded the campus footprint to accommodate the educational and training needs within the region. The communities of Williston, Watford City, Tioga, Ray, Grenora, Crosby, and Alexander have all built new schools or added on to their existing schools to accommodate the influx of new students.

New law enforcement facilities have been built in Williams and McKenzie counties and the existing law enforcement facility in Divide County was expanded to provide additional administrative offices and consolidate all of the existing programs under one roof.

Regional hospitals and clinics in Williston, Watford City, Tioga, Crosby, and Ray have either built new or have expanded their physical footprint to provide additional services, staff, and employment opportunities.

The government sector provides 4,544 jobs in the region or about 13.4% of the employment. The energy boom brought a new and increasing workforce to the region, which in itself created some growing problems for all of the communities. However, the region has responded very well to the needs and is well positioned to handle the future.

Advantages & Disadvantages

One of the advantages of living in western North Dakota is the abundance of its natural resources. Lake Sakakawea, the Yellowstone and Missouri Rivers, the parks, and the numerous small dams within the region provide plenty of recreational opportunities for fishing, camping, boating and access is relatively easy. The region also has an abundance of public and private land in which upland game such as pheasants, grouse and partridge and big game such as mule and whitetail deer, antelope, and bighorn sheep can be hunted.

For the history buffs out there the region is home to historic sites such as Writing Rock, Fort Union, Fort Buford, Missouri-Yellowstone Confluence Interpretive Center, and Cut Bluff Expedition Overlook site. The region is also home to two premier recreation and events centers in Williston and Watford City. Each of the facilities are at least 250,000 square feet and provide year round activities such as indoor walking tracks, turf field, golf simulator, tennis courts, batting cages, cardio weight training, basketball courts, water park, Olympic size pool, hockey rink, soccer field, rock climbing wall, etc. The facilities are considered the best recreational facilities in the state and are very economical to access.

Although the regional economy is excellent at the moment, there are still some disadvantages in the region that exist when compared to the rest of the state and nation. One of the trends that has been occurring in the region since the energy boom is the rise in crime rates in the region. According to the ND

Crime Statistics website, in 2016 the region had a violent crimes rate of 2.69 per 1,000 residents and a property crime rate of 42.07 per 1,000 residents. This compares to the state average crime rates of .48 for violent crime and 34.83 for property crime. As what happens in many boom areas, all kinds of people will flock to those areas where new wealth is being created. People will always be looking for a fast buck or unlawful ways to make money. The region is still a good place to live and raise a family but many of the residents are not as trusting as they once were.

Another disadvantage is the continued high cost of real estate, especially in the area of market rate rental units. Although rents have decreased in the last eighteen months from \$ 3,000 per month to \$1,000 to \$ 1,200 per month, the current rates are still a little high for young families looking to move to the region and join the workforce. Construction costs in all areas within the region have increased significantly due to high demand and low supply during the energy boom. According to local/regional building officials, A/E firms, and contractors the development costs of many projects increased by as much as 50% to 250%. Although the costs have decreased somewhat in the past year, they are still higher when compared to the rest of the state.

Vision

For Tri-County, we see the future of the region resting in the hands of the region itself. The region's people, communities, businesses and leadership working together to develop a new frontier for agriculture, energy, new pioneers, and rural communities. We envision a future that is a blend of greater participation by commodity producers in the entire production chain, increased participation in primary sector trade, increased use of communication and advance technology, a broader and stronger economic base and an effective partnership between the region's communities, public, and private sectors. We envision the region's inhabitants and new settlers as members of an economically healthy and culturally rewarding society with a strong sense of community.

**Tri-County Regional Development Council
SWOT Analysis
2017 – 2021 CEDS**

Strengths	Weaknesses	Opportunities	Threats
Energy sector booming	Cyclical in nature	Increase in regional employment	Sector too dependent on global market conditions
Commercial/Residential Housing	Current residential and commercial housing prices too high	Develop more affordable housing in the region	Development/ construction costs too high and available financing limited
New and updated regional infrastructure	Need for more infrastructure in smaller communities	Develop additional infrastructure in the region	Limited bonding capacity and taxable base, and lack of available resources
Strong service industry sector in the region	Too many businesses dependent upon energy sector	Target additional growth in the retail sector	Lack of available workforce and available financing
Agriculture	Aging of current landowners & increase in larger individual family farms	Diversify regional ag sector in the area of ag processing facilities and research	Lack of trained workforce, costs of development, and lack of commercial financing
Industry training programs and clusters	Decline in participation and need for programs	Growth of new training programs/clusters to meet the needs of the region	Change in market conditions, need for programs, and workforce needs
Regional sales tax revenue collections	Lack of local and county sales tax	Continue to address infrastructure needs with sales tax revenue	Downturn in energy sector economy

Strategy/Action Plan

SWOT Analysis

The region, as a whole is very viable and vibrant in that it has created thousands of new jobs in the energy, retail, and service sectors; lowered the unemployment rate; developed hundreds of new businesses and expansions; improved and expanded the educational system; built thousands of new single family and multi-family homes; addressed the out-migration problem of the region; replaced existing and developed new infrastructure such as water, sewer, etc.; upgraded transportation system such as roads, airports, etc.; and created new wealth within the region.

Although much has happened in the region the last few years, there are areas in the region where more work can be done. The areas of concentration in this region will be in community development, business development, and diversifying the agricultural economy. They are as follows:

Goal #1: Continue to replace and/or expand infrastructure in the region

Strategy: Assist in planning and developing seven new infrastructure projects in the next five years in the areas of municipal water system, sanitary sewer system, street improvements, drainage, ADA, and day care.

Actions:

- Meet with city/county officials to discuss their respective infrastructure needs
- Develop priority list of infrastructure needs per city/county
- Research funding alternatives to address needs
- Assist in preparing funding applications
- Assist in administering projects
- Continue to develop pre-applications to the CDBG program

Funding/Action Partners:

- TCRDC staff and work with staff of Rural Development, ND Water Commission, FEMA, ND Municipal Financing Authority, ND State Health Dept., Bank of ND, Regional County Commissions, Water Resource Districts, Agri-Bank Program, and private sector sources. Cost - \$ 50,000

Timetable:

- 2017 – 2021

Performance Measures:

- ❖ Number of meetings per year with city/county officials
- ❖ Number of funding applications developed on an annual basis
- ❖ Number of projects developed on an annual basis
- ❖ Number of referrals to funding sources

Goal #2: Continue to create and expand business opportunities within the region

Strategy: Work with the existing business clusters and internal programs to develop and fund 50 new business startups and expansions in the next five years

Actions:

- Continue to work with the Small Business Development Center, Divide County JDA, McKenzie County JDA, and Williston Economic Development office to identify, develop, and fund new business startups and expansions
- Utilize the Williston Star Fund, Watford City Roughrider Fund, Crosby Spirit Fund, TCRDC Revolving Loan Fund, banks, credit unions, utilities, and other state/federal agencies to finance new business startups and expansions.
- Continue to educate the area banks/credit unions/utilities on the small business financing opportunities within the region.
- Continue to prioritize business development in the area of retail

Funding/Action Partners:

- TCRDC staff, SBDC staff, Williston State College, local banks, credit unions, Bank of ND, State and Federal agencies, Williston Jobs and Industry, and County Jobs Development Authorities.
Cost - \$ 100,000

Timetable:

- 2017 – 2021

Performance Measures:

- ❖ Number of contacts from prospective business clients
- ❖ Number of referrals to the Small Business Development Center
- ❖ Number of referrals to TCRDC from area banks, credit unions, utilities, other sources, etc.
- ❖ Number of referrals to other lending institutions
- ❖ Number of projects funded
- ❖ Number of new retail projects started
- ❖ Amount of public/private investment
- ❖ Number of jobs created and/or retained

Goal #3: Diversify the current housing stock of the region

Strategy #1: Increase the number of affordable housing units by 50 in the next five years

Actions:

- Meetings with city/county/tribal officials on housing needs
- Meetings with local/regional developers and regional clusters
- Meetings with State/Federal agencies on regional housing needs
- Research current funding and financing sources
- Attend annual housing training sessions and housing seminars offered by State/Federal agencies
- Continue to work with regional community development programs

Funding/Action Partners:

- TCRDC staff and staff of the ND Housing Finance Agency, Rural Development, Lutheran Social Services, ND Housing Incentive Fund, ND Community Works, ND Community Development Block Grant Program, and Neighborhood Stabilization Program. Cost - \$ 40,000

Timetable:

- 2017 – 2021

Performance Measures:

- ❖ Number of contacts from communities within the region
- ❖ Number of referrals to the Community Action Program
- ❖ Number of referrals to State/Federal agencies
- ❖ Number of referrals to other lending sources
- ❖ Number of funding applications developed
- ❖ Number of new projects developed
- ❖ Number of single family and multi-family housing units assisted and developed

Strategy #2: Renovate at least 10 single family and multi-family housing units in the next five years

Actions:

- Meetings with city/county/tribal officials
- Meetings with State/Federal agencies on regional housing renovation programs
- Meetings with local/regional developers and industry clusters
- Research current funding and financing sources
- Attend annual housing training sessions offered by State/Federal agencies
- Continue to work with regional community development programs, Rural Development, ND Housing Incentive Fund, ND Community Works, ND Community Development Block Grant Program, and Community Action Program

Funding/Action Partners:

- TCRDC staff and staff/officials of the ND Housing Finance Agency, Rural Development, CDBG Program, ND Community Works, Neighborhood Stabilization Program, Lutheran Social Services, Bank of ND, AgriBank Program, and other local/regional lending sources. Cost - \$ 40,000

Timetable:

- 2017 – 2021

Performance Measures:

- ❖ Number of contacts from tribal officials and communities within the region
- ❖ Number of referrals to Community Action Program, tribal programs, and other State/Federal agencies
- ❖ Number of funding applications developed
- ❖ Number of new projects developed
- ❖ Number of single family and multi-family units assisted

Goal #4: Continue to diversify the agricultural sector within the region

Strategy #1: Develop at least 1 new agricultural processing plant in the next five years

Actions:

- Meet with local/regional economic developers
- Meet with local/regional ag research officials
- Attend meetings/events/tradeshows with existing ag businesses/entrepreneurs to review market trends
- Develop Ag-Puc applications with local ag producers/developers
- Serve as fiscal agent for Ag-Puc projects
- Continue to work with NDSU Ag Research Extension Center, local/regional county extension offices, Williams County Water Resource District, regional Soil Conservation Districts, ND Water Commission, area banks and financial institutions, and other State/Federal agencies

Funding/Action Partners:

- TCRDC staff and staff/officials of the NDSU Ag Research Extension Center, Soil Conservation Districts, Rural Development, local and regional economic development officials, local/regional ag producers, and other State/Federal agencies. Cost - \$ 25,000

Timetable:

- 2017 – 2021

Performance Measures:

- ❖ Number of meetings with developers and research officials

- ❖ Number of annual meetings/events/tradeshows attended
- ❖ Number of referrals to state/federal agencies
- ❖ Number of annual Ag-Puc applications developed
- ❖ Number of annual Ag-Puc projects participated in
- ❖ Number of projects developed in the region

Strategy #2: Develop at least 1 new dry land production research project in the next five years

Actions:

- Meet with local/regional ag research officials
- Attend annual local/regional promotional events
- Assist in the development of funding applications for research projects within the region
- Continue to work with NDSU Ag Research Extension Center, local/regional county extension offices, Williams County Water Resource District, regional Soil Conservation Districts, ND Water Commission, and other State/Federal agencies

Funding/Action Partners:

- TCRDC staff and staff/officials of the NDSU Ag Research Extension Center, Soil Conservation Districts, Rural Development, local and regional economic development officials, local/regional ag producers, and other State/Federal agencies. Cost - \$ 25,000

Timetable:

- 2017 – 2021

Performance Measures:

- ❖ Number of meetings with developers and research officials
- ❖ Number of annual meetings/events/tradeshows attended
- ❖ Number of referrals to state/federal agencies
- ❖ Number of annual Ag-Puc applications developed
- ❖ Number of annual projects developed in the region

Resilience

According to the Economic Development Administration, a resilient regional economy is one that can quickly recover from major disruptions to its economic base. In the area of economic development, economic resilience includes the three primary attributes of: the ability to recover quickly from a shock, the ability to withstand, and the ability to avoid the shock altogether.

In the Tri-County region, before the energy boom started in 2006, the major disruptions to the regional economy were in the areas of population declines, recessions, cyclical oil and agricultural industries, etc. Once every 20 – 30 years the region may experience a flood which may have caused damage to county roads, agricultural land, etc, but not to the point of closing down businesses or creating loss of jobs. Other adverse events that have occurred periodically are tornadoes and drought conditions.

Since the energy boom began, cities and communities within the regional economy, with the assistance of Tri-County, have taken steps to implement steady state and responsive initiatives. Although many steady state initiatives have been implemented, there are still some initiatives that have been identified in the planning process:

Steady State Initiatives

- ❖ Updating land and zoning ordinances to minimize risk in future land development
- ❖ Updating and enacting additional policies with incentives to facilitate economic development growth to create more diversity in the regional economy
- ❖ Implement training programs that can meet the needs of the changing workforce and employers
- ❖ Increase redundancy in the communication systems throughout the region for public safety
- ❖ Encourage and work with regional entities to make sure their hazard mitigation plans, comprehensive plans, strategic plans, etc. are updated on an as-needed basis

- ❖ Promoting business preparedness

Responsive Initiatives

- ❖ Action plan for rapid restoration of utilities
- ❖ Action plan for alternative transportation routes and logistics
- ❖ Designate organizations that can assist in accessing disaster loan funds and reconstruction grants
- ❖ Assist in creating a protocol and mechanism for a designated “leader” to manage the recovery efforts
- ❖ Work to create/update city/county committees or task forces that would be responsible for information dissemination to the public in incidences of disasters

Appendix 1

DIVIDE COUNTY Ten Largest Employers in 2016

Rank	Employer	Ownership	Industry
1	St Lukes Hospital & Clinic	Private	Hospitals
2	Divide County School District #1	Local Government	Educational Services
3	New Century Ag	Private	Merchant Wholesalers, Nondurable Goods
4	Divide County	Local Government	Executive, Legislative & General Government
5	(Non-disclosable)	---	---
6	(Non-disclosable)	---	---
7	(Non-disclosable)	---	---
8	The Bypass	Private	Food Services and Drinking Places
9	US Dept. of Homeland Security	Fed Government	Justice, Public Order, & Safety Activities
10	Crosby Self Serve	Private	Gasoline Stations

Labor Market Information Center, Job Service North Dakota

McKENZIE COUNTY Ten Largest Employers in 2016

Rank	Employer	Ownership	Industry
1	Delta Constructors, LLC	Private	Construction of Buildings
2	MBI Energy Services	Private	Truck Transportation
3	McKenzie County School District	Local Government	Educational Services
4	McKenzie County	Local Government	Executive, Legislative & General Government
5	Nuverra Environmental Solutions	Private	Truck Transportation
6	(Non-disclosable)	---	---
7	Kinder Morgan	Private	Oil & Gas Extraction
8	McKenzie County Healthcare Systems	Private	Nursing & Residential Care Facilities
9	Cash Wise Foods	Private	Food & Beverage Stores
10	Oneok Services Company, LLC	Private	Pipeline Transportation

Labor Market Information Center, Job Service North Dakota

WILLIAMS COUNTY Ten Largest Employers in 2016

Rank	Employer	Ownership	Industry
1	Halliburton Energy Services	Private	Support Activities for Mining
2	Williston Public School District	Local Government	Educational Services
3	Wal-Mart	Private	General Merchandise Store
4	Nabors Drilling USA	Private	Support Activities for Mining
5	CHI St Alexius Health - Williston	Private	Hospitals
6	(Non-disclosable)	---	---
7	City of Williston	Local Government	Executive, Legislative & General Government
8	Liberty Oilfield Services	Private	Support Activities for Mining
9	Oasis Petroleum LLC	Private	Oil & Gas Extraction
10	Bethel Lutheran Nursing & Rehab Center	Private	Nursing & Residential Care Facilities

Labor Market Information Center, Job Service North Dakota

Appendix 2

COUNTY POPULATION IN REGION I					
COUNTY	POPULATION			% CHANGE	
	2000	2010	2016	00 - 10	10 - 16
Divide County	2,283	2,071	2,413	-9.3%	16.5%
McKenzie County	5,737	6,360	12,621	9.8%	98.4%
Williams County	19,761	22,398	34,337	11.8%	53.3%
TOTAL	27,781	30,829	49,371		
Region 1					
POPULATION CHANGE				00 - 16	10 - 16
				78%	60%

Source: ACS U.S. Census Bureau, American Community Survey, CENS U.S. Census Bureau, Job Service ND, Labor Market Information Center

Appendix 3

Region 1 Population and Population Projections 1980 - 2025						
POPULATION				POPULATION PROJECTIONS		
1980	1990	2000	2010	2015	2020	2025
32,863	30,411	27,781	30,829	49,306	63,473	76,282

Source: U.S. Bureau of Census, Census of Population, 1980, 1990, 2000, 2010. North Dakota Census Office, Population Projections of the State, Regions and Counties - 2016

Appendix 4

Geography	Cumulative Estimates of the Components of Population Change					
	April 1, 2010 to July 1, 2016					
	Total Population Change	Natural Increase	Vital Events		Net Migration	
			Births	Deaths	Total	International
Divide County	342	15	178	163	326	29
McKenzie County	6,261	719	1,089	370	5,393	37
Williams County	11,939	2,101	3,530	1,429	9,642	39

American Fact Finder

Estimates of the Components of Resident Population Change: April 1, 2010 to July 1, 2016

2016 Population Estimates

Appendix 5

Region 1 Per Capita Income			
Location	2000	2010	2016
Region 1	\$ 15,907	\$ 28,407	\$ 40,872
North Dakota	\$ 17,769	\$ 25,803	\$ 32,035
United States	\$ 22,199	\$ 27,334	\$ 29,020

Sources: U.S. Census Bureau Data – Census 2000 Summary File, 2010 U.S. Census Data, 2006 – 2010 American Community Survey 5 Year Estimates, American Fact Finder, U.S. Census Bureau – Quick Facts – McKenzie County, Divide County, Williams County, North Dakota; and North Dakota

Appendix 6

Region 1 Poverty Rate		
County	2000	2016
Divide County	16.1%	10.0%
McKenzie County	17.2%	7.9%
Williams County	11.9%	6.8%
North Dakota	11.9%	10.7%
United States	12.4%	12.7%

Sources: U.S. Census Bureau, Quick Facts: United States, Williams County, ND, McKenzie County, ND, Divide County, ND, North Dakota, Population Estimates, July of 2016, Income & Poverty. U.S. Census Bureau, Census 2000 Summary File: Poverty Status, Divide County, ND, McKenzie County, ND, Williams County, ND, North Dakota, and United States.

Appendix 7

State of North Dakota County Unemployment Rates September of 2015/2016/2017			
County/State	2015	2016	2017
Divide County	1.7%	1.9%	1.3%
McKenzie County	2.5%	2.9%	1.7%
Williams County	2.3%	3.2%	1.9%
North Dakota	2.2%	2.3%	2.0%
United States	5.1%	5.0%	4.2%

Bureau of Labor Statistics, Unemployment Rates by State and County, September of 2015/2016/2017

Appendix 8

Region 1 Historical Enrollment Figures – K - 12 Divide, McKenzie, & Williams Counties						
Years				% Change		
2000	2005	2010	2014-2015	2000-2005	2005-2010	2010 - 2015
6,089	4,727	4,232	7,052	28.81%	11.69%	66.63%

Source: North Dakota Department of Public Instruction – Divide, McKenzie, & Williams County School District Profile Fast Facts; North Dakota Department of Public Instruction - Enrollment History Public School Districts; and North Dakota Department of Public Instruction – 2018 Finance Facts Enrollment Services