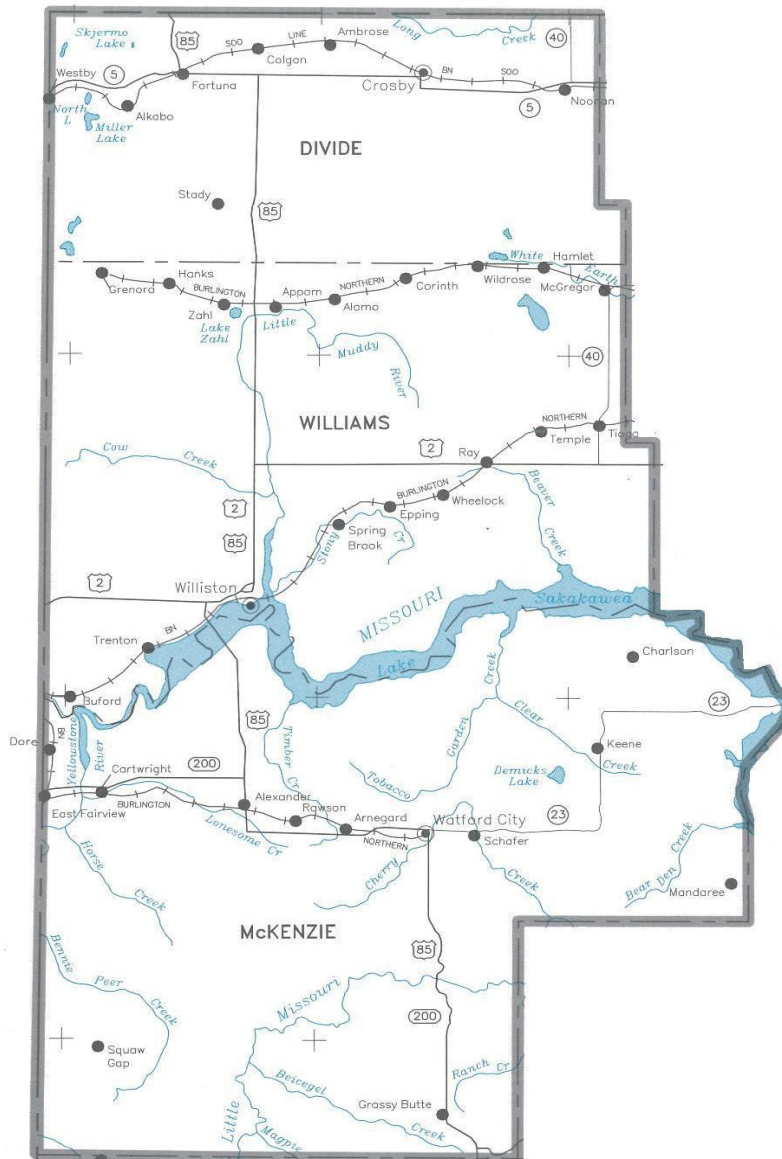


Comprehensive Economic Development Strategy Plan 2023-2028



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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.

In order to solicit more input and stakeholder involvement, the strategy committee was pared down from previous strategy committees. In developing the CEDS document over the past year or so, past CEDS documents were reviewed, and the condition of the current regional economy was reviewed and discussed in detail. The main goals of Tri-County for the new CEDS will be to develop new or expanded infrastructure for those communities in need, create and expand new business opportunities, provide opportunities to increase the workforce in the region, and create or expand economic diversification opportunities in the region. 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 with other key stakeholders in the region to facilitate and assist with the \$7B in planned new investments in the private sector to create jobs, new businesses, new wealth, and more importantly, the diversification of our regional economy.

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 staff, 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
Cyrena Weeks Shawn Wenko Alfred Slater Jim Bervig Kaycee Lindsey Daniel Stenberg Keith Olson Lindsey Harriman Everette Enno	Tri-County RDC City of Williston Trenton Indian Serv. Area Williston - Finance/Banking Divide County McKenzie County Small Bus. Dev. Center Williams County Tri-County RDC	Community Development Economic Dev. Director Planner Vice-President Economic Dev. Director Economic Dev. Coord. Director Planner Executive 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.

SUMMARY BACKGROUND

The regional economic conditions of the Tri-County Economic Development District can best be described as relatively stable, vibrant, and getting stronger each year. For the past several years the regional economy has been diversifying in every sector of the region. Unemployment in 2022 was at an all-time low as it was very close to the pre-pandemic levels. Williams County experienced an unemployment rate of 2.5%; McKenzie County was at 1.9%; and Divide County's unemployment rate was 1.2%.

Since the beginning of the energy boom in 2006, 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.

As a result of the energy boom and the unprecedented growth, many communities within the region have undertaken projects to address their infrastructure needs. The larger communities in the region 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.

All of the above changes taking place in the region are a result of the need for infrastructure and the need to stabilize and manage the growth. As the regional economy continues to diversify in all different areas, it also continues to build up its resiliency to future economic downturns. At this point in time, the economic resiliency of the region is its most important strength in moving toward the projected future growth.

Below is an overview of the economic development district. The changes have transformed the region, and they are as follows:

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.

POPULATION

According to Job Service North Dakota, the regional population in 2022 was 54,204 with Williston being the largest city and a population of 27,029. The region had a relatively flat population for several years up until about 2005. From 2006 through 2014, which was the height of the energy boom, the population grew dramatically. During the COVID – 19 pandemic, the population experienced a decline in oil demand and thus a slight decline in the population of 1% from 2021 to 2022.

From 2002 to 2012, the regional population experienced a net increase of 9,378 people, with an average growth rate of 3%. From 2012 to 2022, the regional population had a net increase of 17,213, with an average annual growth rate of 4.1%.

The racial composition of the population in the region is 86.9% white; followed by Hispanic or Latino at 8.67%; and the next largest being American Indian at 4.87%. Along with the above, there is also foreign-born persons in each county that make up the following: Williams County 8.1%; McKenzie County 3.3%; and Divide County 1.1%.

Within our region, there is a Veterans population of 3,147, or about 6% of the 2022 regional population.

While the population in Region One has been sensitive to oil activity, growing steadily during the oil boom and dipping slightly during the pandemic, it is once again growing post pandemic.

PER CAPITA INCOME

As of 2022, the per capita income within the region was 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 it increased to \$28,407; and in 2022 increase to \$40,606. When compared to the US per capita income for the 2000, 2010, and 2022 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 in 2022 by \$2,968 and above the North Dakota average by \$3,263. In looking at the Median Household Income for 2022, the regional average household income was \$80,674, which was \$12,543 higher than the state average and \$11,653 higher than the national average.

The number of people living in poverty in the region has decreased significantly from 2000 to 2022. The rate in McKenzie County has decreased from 17.2% to 9.1%; in Divide County from 16.1% to 10.8%; and in Williams County it decreased from 11.9% to 8.5%. While there remain some concerns with poverty in the region, especially with the elderly population, the region has continued to make progress in decreasing the number.

UNEMPLOYMENT

The unemployment rate in the region continues to be strong and low at 1.87% when compared to the national average of 3.7% and the state average of 2.1% in 2022.

Unemployment in 2022 was at an all-time low as it was very close to the pre-pandemic levels. Williams County experienced an unemployment rate of 2.5%; McKenzie County was at 1.9%; and Divide County's unemployment rate was 1.2%.

EMPLOYMENT & EMPLOYERS

Since the energy boom that began in 2006, 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 2022, 72% of the top five or ten employers in each county are now in the private sector. In the private sector, 17 of the 25 employers are in the areas of oil and gas extraction, truck transportation, pipeline transportation, construction, retail, nursing homes, and hospitals. As stated previously, most of the demand for jobs will be in the areas of healthcare, management, and transportation.

Employment in the region continues to be strong in going into 2024. As of December 2022, there was a total of 35,226 people employed in the region. Although employment is down a little from 2016 (35,670), it is still considered strong for the region. 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. Mining, quarrying, and oil/gas extraction had the largest share of employment at 8,490 people (24%); followed by construction at 3,528 people (10%); transportation and warehousing at 2,978 (8%); retail trade at 2,871 people (8%); public administration at 2,883 (8%); and all other industries at 14,526 (41%).

In 2022, Region 1 had the highest annual average wage of \$123,091 in the mining, quarrying, and oil/gas extraction industry; followed by the utilities industry at \$109,175; and the public administration industry at \$62,612. While the mining, quarrying, and oil/gas industry had the highest number of employees in the region, the utilities industry had the highest average annual wage growth of 154% from 2002 to 2022. The public administration industry had the highest employment growth of 158% since 2012. The wages are still above average compared to the rest of the state. In 2022, the average annual wage in the region was \$73,824, an increase of less than 1% from last year.

In late 2022, the North Dakota Job Service's Labor Market Information Center conducted and completed statewide and regional long-term employment projections. The projections were up through 2031 and covered more than 700 occupations. In their research, the demand for this region is for high school graduates with little or no experience. For those high school graduates that want to start in the energy industry and receive above average wages, the key is to further their education through additional technical education.

The research also indicated that as more industries become automated, jobs in the agriculture, food processing, and oil/gas industry will become more plentiful in the region. If the high school graduates are willing to obtain the additional education, those occupations that are currently in demand are Healthcare, Transportation, Repair and Maintenance, Construction and Extraction, Production, Management, and Education.

The projected growth areas in this region up through 2031 include:

- 1) Heavy/Tractor Trailer Truck Drivers – 2,135 jobs – 20.63% increase
- 2) Home Health/Personal Care Aides – 1,537 jobs – 22.25% increase
- 3) General/Operations Managers – 1,526 jobs – 15.36% increase
- 4) Oil/Gas Service Unit Operators – 1,425 jobs – 55.3% increase
- 5) Registered Nurses – 1,353 jobs – 11.27% increase

According to the report, Region 1 is expected to lead the state in job growth percentage, with an average of 46,212 jobs (+29.66%) for all industries in 2031.

Since 2012, the workforce in the region has become steadily younger. In 2022, the age groups with the largest shares of industry's workers were the 25 – 44-year-old age group (51%) followed by the 45 - 64-year-old age group (32%). In looking at these numbers more closely, since 2012 the employment composition in Region 1 has also changed quite significantly. In 2012, the composition was 76% male and 24% female. In 2022, the composition was 64% male and 36% female. So, the regional workforce is not only getting younger, but it is also getting more diverse.

The region continues to see a number of people living in poverty, but the numbers are better than the rest of the state and the U.S. From 2000 – 2016, the region saw a significant decrease in poverty rates. McKenzie County went from 17.2% to 7.9%; Divide County 16.1% to 10.0%; and Williams County 11.9% to 6.8%. On average, a 6.83% decrease for the region. For the same time period in the U.S., the rate went from 11.3% to 12.7%, a 1.4% increase. From 2016 - 2022, the rates were as follows: McKenzie County went from 7.9% to 9.1%; Divide County went from 10.0% to 10.8%; and Williams County went from 6.8% to 8.5%. Although the poverty rates did increase on average 1.23% for this time period in the region, it is our opinion that much of the small increase was due, in large part, to the effects of the covid pandemic. The slight increase in poverty rates can be attributed to the strong and resilient economy in the region.

AGRICULTURE

Agriculture has always been important to the economy within the region as the area is well suited for the raising of small grains. In the region, 60% of the 2,927,558 acres is used for cropland. Producers in the region continue to diversify their production by incorporating pivot systems into their farming methods and they continue to incorporate high value cash crops such as alfalfa, potatoes, onions, and peas/lentils. There are currently legume processing facilities in Crosby, Ray, Ross, and Williston. While Williston is also home to the largest pea/lentil splitting facility in the world, United Pulse Trading.

Although agriculture continues to be important to the regional economy, it currently accounts for approximately only 2% of the workforce in the region. While the agricultural workforce in the region decreased by 1% from 2012 to 2022, the mining/quarrying/oil & gas extraction sector experienced a 52% increase in the workforce.

The agricultural sector continues to be important to the region but the continuing trend of corporate farming and the younger generation declining to enter the farming business has changed the landscape of family farms in this region.

HOUSING

The real estate market in the region continues to be steady and stabilized up to this point. As of 2022, the existing housing stock was approximately 29,580 single family homes and multi-family units in the region. Of this amount, approximately 62% of the units were owner occupied homes and 38% were multi-family units.

When the energy boom was going strong in approximately 2010, the region added more than 7,800 new housing units. While the current demand for single family homes continues, there is still a need for additional affordable housing for the young families that want to move in and own versus rent.

Currently, Williston is experiencing a 3.1% homeownership vacancy rate, or about 177 units. Many of these units are either fixer uppers or are not affordable for a young family. The vacancy rate for rental units is about 8.5%, or about 556 units. The most recent housing study/analysis that was completed in 2019 by the City of Williston is predicting that by 2034 there will be a demand for at least 2,500 more housing units in Williston and the rest of the region.

For the near future, the key to affordable housing in our region and being able to meet the anticipated housing demand will be decreasing the development costs. The average price for a single-family home is about \$350,000 with higher interest rates. The housing development is not taking place as quickly as it once had.

According to local realty officials, the biggest impediment in real estate right now is the higher interest rates. The abundance of commercial, residential, and rental properties, along with an increase in local investment and local/state incentive programs, have all helped to stabilize the regional market.

The challenge for our region will be the ability to meet the housing demand with affordable housing if the anticipated growth takes place.

EDUCATION

Education and educational opportunities in the region continue to be good 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%. In 2023, enrollment in the region increased to 10,120 students, an increase of 5,888 students from 2015. 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, Trenton, and Tioga have all built new

additions to their existing schools to accommodate the increased student enrollment. Alexander is in the planning stages for a new addition that would add additional classroom space for their school system. The average student to teacher ratio in the region is 12:1, which is below the national average of 15:1. According to the most recent 2023 statistic, the region's average high school graduation rate is at 81.33%, which is a slightly below the state average of 84%.

In 2022, the McKenzie County Public School District successfully submitted a \$10M grant application to the ND Career and Technical Education Board for a project that will serve regional K-12 students and address short and long-range workforce needs. The project intended to provide in-demand training opportunities that are responsive to the needs of our region's workforce through collaborative partnerships with secondary education, post-secondary education and training, and local employers. Classes started in 2024 with Williston State College (WSC), along with Bismarck State College (BSC) providing training for those already in the workforce.

The region has one higher education facility located in Williston. Williston State College (WSC) 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.

WSC has plans to construct a \$37 million facility that will offer classes that local healthcare providers have sought. Radiation tech, surgical tech, and nursing are some of the proposed programs. Additionally, University of North Dakota for behavioral health and Minot State for addiction studies are two other universities that have been sought out for partnership to address further healthcare needs for the region.

WSC 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. The current enrollment of WSC is 959 students for the 2023-2024 school year and it continues to grow and adapt to the needs of the region's workforce.

In 2022, WSC received a \$1.8M grant through their workforce development program to expand their existing CDL and Crane Operators training programs. The program will be able to offer state of the art equipment, a simulator, and other training materials that be able to better prepare the students for the future needs of the employers in the region. In the fall of 2024, the project is expected to be in operation.

Within the region approximately 23.93% of individuals have obtained their bachelor's degree or higher according to figures in 2021.

AIR & GROUND TRANSPORTATION

In the region, there are three municipal airports located in Tioga, Watford City, and Crosby and one new regional airport located in Williston. All three municipal airports have undergone extensive renovations in the past several years and can handle small aircraft and private jets.

The new \$240M plus regional airport in Williston currently handles private and commercial aircraft, charter services, UPS jets, Federal Express jets, etc. It was designed and built to handle ARC D-III aircraft and larger and to handle the recent growth and forecasted needs of the region.

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; plans and funding are now in place to complete the expansion of 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 now complete. 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 Santa Fe provide passenger/freight service in and out of Williston. At the moment, there are 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.

UTILITIES

In the past several years the region has added one new power plant and three new transmission lines to keep up with the utility demands of the residential, commercial, and industrial needs of the region. These new upgrades have increased the existing power grid system by 100 MW. With the additional capacity that has been added to the system, the industry officials now anticipate that the existing utility system will be able to handle the current and future growth in the areas of residential, commercial, and industrial needs.

BROADBAND

Within the region, fiber optic cable has replaced all of the conventional telephone cable. 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.

SUPPORT FOR BUSINESSES

The business climate and resources in the region can best be defined as strong and vibrant. Before 2007, there were approximately 500 small businesses in the region. As of 2021, the latest figures show there were approximately 2,216 small businesses operating in the region.

Although the cost of development in the region is a little higher when compared to the rest of the state, entrepreneurs continue to relocate in the region to start up new businesses.

The technical assistance that is offered to prospective clients is second to none. The Small Business Development Center in the region is the smallest in the state in terms of counties served is located in Williston and receives administrative support from Williston State College and Tri-County Regional Development Council. This SBDC also has satellite facilities in Crosby and Watford City that provide support.

In Region 1, the SBDC office continues to lead the state year after year in number of clients served, SBA and bank loans, other capital invested in projects, owners' equity invested, etc. In 2022, the SBDC assisted 44 new businesses either in start-ups or expansions while also creating, retaining, or supporting 2,382 jobs in the process. The SBDC was also able to generate approximately \$66,790,000 in financing for the above projects while serving approximately 436 clients during the year.

Through the second quarter of 2023, the SBDC continues to exceed its goals for the year but has seen a slight decrease in expected activity due to the rising interest rates and more clients wanting to access grant funds that are not really there. New business starts this year are 13 with the total clients served approximately 333. The total number of jobs supported so far is 1,607 while the total financing generated during the year is \$42,718,462.

In our region, one of the indicators in determining the strength of our business climate and its potential for future growth is the number of new businesses that continue to be developed and the amount of taxable sales/purchases the region generates on an annual basis. From 2008 to 2022, the taxable sales/purchases in each county increased astronomically. In Divide County, the taxable sales/purchases went from \$3,245,008 to \$15,572,056; in McKenzie County taxable sales/purchases went from \$13,107,412 to \$263,567,770; and in Williams County the taxable sales/purchases went from \$247,194,277 to \$1,363,889,970. While the taxable sales/purchases in each county have been strong since 2008, they have decreased somewhat each of the past four years. In each county, the strongest years of taxable sales/purchases have all been different. In Divide County, 2013/2014 were their best years of taxable sales/purchases since 2008; in McKenzie County their best years of taxable sales/purchases were 2014/2019; and in Williams County their best years of taxable sales/purchases were in 2012/2014. All three counties have in common the year 2014 as one of their best years of taxable sales/purchases. These figures can all be traced back to the energy boom and all of the activities taking place that were driving the regional economy.

All of the above business activity and statistics can be attributed to a strong business climate with excellent support services/programs throughout each county. Each county has a functioning economic development office, with economic development incentive programs, which works hand in hand with Tri-County staff and the SBDC to provide the clients with the best assistance and finance packaging available. Each client and their business needs are analyzed to find out which programs, local and state, best fit their needs in terms of financing, cash flow, etc.

It is the support services for the client/businesses that has facilitated the growth in many areas of the regional economy. It is also the foresight and strategies of our elected officials and economic development offices that keep implementing new programs and incentives to address the current needs, push for diversifying our regional economy, and build on the existing success and economic resilience.

QUALITY OF LIFE

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

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.

Williston and Watford City provides two premier recreation and events centers. 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 swimming pool, hockey rink, soccer field, rock climbing wall, office space for training opportunities, etc. The facilities are considered the best recreational facilities in the state and are very economical to access.

Quality of life issues are starting to become more of a priority for elected officials since the energy boom has now stabilized to the point where the economic growth is now manageable. Williams County and McKenzie County are in the process of updating their master plans to include additional activities/facilities for the young families that are expected to move into the area within the next few years due to the anticipated new projects being developed. The goal is to provide opportunities for entire families, that will keep them in the region and can be used as a recruitment tool for the future workforce.

THE FUTURE OF THE REGION

Within the next few years, according to the planned developments that have been announced publicly, the region is expecting to experience unprecedented growth in the areas of industrial development, agricultural related processing facilities, new facilities in the health care industry, new retail establishments, new workforce training programs at the high school and post-secondary level, cryptocurrency mining, housing development, etc.

It is anticipated that over \$7B in new investments in projects such as:

- ❖ \$1.9B Atlas Power Data Center, which will be the largest cryptocurrency mining and high-performance computing facility in the world. Expected to be completed in 2024.
- ❖ \$2.8B Cerilon GTL gas to liquids plant. The plant is expected to be the lowest carbon footprint plant in the world, reducing environmental impacts in the county and helping the state to become a leader in achieving carbon neutrality.
- ❖ \$170M WellSpring Hydro plant which will be located next to Cerilon. The plant will take waste products from Cerilon and producing wells such as saltwater and process the waste products into hydrochloric acid, caustic soda, and lithium.
- ❖ \$1.5B plus in four new gas processing plants in Williams County & McKenzie County. The new plants will add additional pipeline capacity in the region to safely move the oil and gas production, reduce flaring, and process or refine the resources in western ND.
- ❖ \$318M AIC Energy Corp bio-fuel refinery plant near Trenton that will utilize a primary feedstock of soybean oil to produce sustainable aviation fuel or renewable diesel.
- ❖ \$500M plus Williston Square development – an 800-acre mixed use project which include plans for a civic center, retail establishments, fast food restaurants, health care industry development, and planned housing developments for single and multi-family units. The project includes \$300M Sanford Health Care – a regional hospital and clinic in Williston which is scheduled to provide of full range of health care services and specialty clinics to serve the needs of the region.

The planned investments will generate thousands of temporary construction jobs for the region while creating over 10,000 new permanent jobs in the various sectors. These jobs in the various sectors will help to grow the regional economy, but more importantly, it will allow our regional economy to become more diversified and better positioned to weather the economic downturns that may happen from time to time. The result is that the new investments in businesses, technology, job creation, infrastructure development, etc. will only strengthen the economic resilience of the region.

The only concern is if the region will be able to meet the workforce, housing, and childcare needs that will come with the planned developments. These issues will be difficult and challenging to address, but local, regional, and state officials will continue to work hard in developing strategies, programs, and incentives that can address the future needs of the region.

Tri-County Regional Development Council

SWOT Analysis

2022 – 2027 CEDS

Strengths	Weaknesses	Opportunities	Threats
Petroleum Industry	Workforce	Childcare Assistance	Eligibility-State/Fed Income Based Programs
Opportunities for State/Federal funds	Lack of Support & Collaboration w/State	Grow our own Workforce/Younger Population	Market Conditions & Commodity Volatility
Financing Opportunities	Diversification of Regional Economy	Increasingly Diverse Population	Legislative Turnover
Leveraging Opportunities	Lack of Affordable Housing	Continue to Support CTEs	Project Development Costs/Bakken Premium
Regional Collaboration	Organizational Capacity – Staffing Level/Wages	Continue to Support Emerging/Value Added Industries	Wage Competition w/Energy Industry
Diversity of Board of Directors	Affordable Childcare	Expand Existing Financing Options for Entrepreneurs/Small Businesses	Workforce Training
Knowledgeable Staff	Number of Available Childcare Spots		
Available Jobs		Available City/County Resources	
Stable and Growing Economy		Increase Promotion and Marketing of Planned/Existing Projects	

STRATEGY/ACTION PLAN

The region, as a whole is very viable, vibrant, and resilient 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 where more work will need to be done to accommodate the anticipated new developments that will be taking place. The region is expecting significant growth, approximately \$7B of new investments in the areas of industrial development, agricultural related processing facilities, a new hospital and clinic, new workforce training initiatives, new retail establishments, cryptocurrency mining, housing, etc.

The new developments are expected to generate thousands of temporary jobs for the construction industry while also creating over 10,000 new permanent jobs in the various sectors. All of this development, jobs, and wealth will further strengthen and grow the regional economy while also building up the economic resilience.

The areas of concentration in this region will be in the areas of economic diversification, workforce, infrastructure, and business development. They are as follows:

GOAL #1: Create/expand economic diversification opportunities within Region 1

Objectives:

- Collaborate with state agencies, industry clusters and existing regional economic development entities to provide planning sessions for future value-added projects in the petroleum and agricultural fields, the retail sector, and service sector.

Action Item:

- 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 and any other regional and state incentive programs available.
- 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 retail and service sector.
- Continue to meet with area banks and state funding agencies to help plan financing for projects and develop funding applications.
- Conduct feasibility study for a regional incubator, accelerators, and incentive programs for entrepreneurial expansion on a region wide basis as needed.
- Work with small business entities or consultants to provide Entrepreneur/Communities support for overall business development requirements.
- Continue to build economic resilience in the region by facilitating the above action items and working with local/regional/state stakeholders.

Funding/Action Partners

- ❖ TCRDC staff will work with SBDC staff, local/state banks, State and Federal agencies, industry clusters, utilities, and jobs development authorities to assist in implementing the above objectives and action items.

Timetable:

- ❖ **2022 - 2027**

Performance Measures:

- ❖ Number of meetings with developers, local/state officials, research officials
- ❖ Number of annual meetings/events/tradeshows attended.
- ❖ Number of referrals to state/federal agencies
- ❖ Number of annual meetings with prospective business clients
- ❖ Number of local/regional applications developed.
- ❖ Number of local/regional projects participated in
- ❖ Number of projects developed in the region.

GOAL #2: Provide opportunities to increase workforce within Region 1

Housing Objective: Identify and address the issue of housing.

Action Items:

- Continue to work with NDHFA, USDA, CDBG Program, ND Housing Incentive Fund, ND Community Works, local/regional incentive funds, BND.

- Facilitate referrals to appropriate agencies to help plan and develop construction of single-family home.
- Support communities who would implement a program to support single-family homes.
- Support Developer Incentive Programs that are established in our regional communities.
- Continue to support and utilize programs that provide housing renovation assistance of single-family homes and multifamily units to eligible communities in the region.

Childcare Objective:

- Provide referrals, support, and technical assistance for one to two business education sessions per year for potential and current childcare providers.
- Identify Financial opportunities in childcare projects.
- Continue to work with local/regional/state offices to identify resources for facilities.

Training Objective:

- Work with existing industry clusters and training providers to increase the number of trained students in high demand occupations.
- Develop a page of links to area programs or training and make available on our website regarding what the schools are doing for CTE for Region 1. One database of training programs available in the region.

Action item: Create a webpage with links to the data rather than gathering the info. Links to what is happening in the region. Create a resource library for each community.

Funding/Action Partners

- ❖ TCRDC staff will work with local/state training programs, State and Federal agencies, local economic development entities, industry clusters, and jobs development authorities to assist in implementing the above objectives and action items.

Timetable:

- ❖ **2022 – 2027**

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.
- ❖ Number of childcare referrals for financing and/or T/A
- ❖ Number of childcare training sessions provided annually.
- ❖ Number of meetings with industry clusters
- ❖ Number of training program applications developed on annual basis.
- ❖ Number of hits on website

GOAL #3: Provide support and resources to community for infrastructure within the region.

Objective: Assist local communities and counties to address their community and economic development needs.

- Enhance/Increase visibility of what is available.
- Meet with local/regional officials to discuss their respective infrastructure needs.
- Meet with regional developers/entrepreneurs on their project needs.
- Collaborate with local/regional/state officials and agencies on resource development.
- Assist in preparing funding applications.
- Assist in administering projects.
- Continue to development applications to State/Federal agencies on an as needed basis.

Funding/Action Partners

- ❖ TCRDC staff will work with city/county elected officials, State and Federal agencies, local economic development entities, utilities, local/regional incentive programs, local economic development authorities, available grant sources, and the private sector to assist in implementing the above objectives and action items.

Timetable:

- ❖ **2022 - 2027**

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
- ❖ Number of contacts per year from regional officials on available programs

GOAL #4: Continue to create and expand business opportunities within Region 1

Objective: Work with the existing business clusters and internal programs to develop and fund new business startups and expansions.

Action Items:

- 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 with SBDC consultant contract on an annual basis.
- Continue to provide T/A and training to small business clients/other staff.
- Continue to utilize the FARRMS program to provide T/A for the ag sector.
- Continue to prioritize business development in retail, agriculture, and food processing.

Funding/Action Partners

- ❖ TCRDC staff will work with the SBDC office, State and Federal agencies, local economic development entities, Williston State College, local banks and credit unions, Bank of ND, utilities, and jobs development authorities to assist in implementing the above objectives and action items.

Timetable:

- ❖ **2022 - 2027**

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.

ECONOMIC RECOVERY AND 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.

These shocks can include natural disasters, hazards, and the impacts of a changing climate, but also man-made economic disruptions such as the closure of a region's large employer, the decline of an important industry, changes in the regional workforce, and shifts in population trends.

Because these shocks do not stop at geographical boundaries, the need to prepare and respond to these events should be a regional effort. The residents, businesses, and communities within a region all encounter the same risks and opportunities. It is to the advantage of all to work together in the planning and implementation to address and minimize the impacts of economic distress.

In the arena of economic development, experience and time have taught us that the economic resiliency of a community or region and its ability to withstand downturns in the economy and natural disasters is linked to solid planning and a strong diversified regional economy. Resilient communities and counties are able to absorb, recover, and prepare for future shocks.

Throughout the planning process utilized by the Economic Development Administration, it has been recommended that regional planning partners implement and integrate a two-pronged approach as guidance in the development of economic resilience.

Since the creation of the Tri-County Regional Development Council as a designated economic development district it has always worked and partnered with the communities, elected officials within the region and state, economic development entities, and the general public to plan and develop goals and objectives to address the issues facing our region.

Throughout this process, Tri-County was able to identify key stakeholders within the region that were instrumental in establishing the networks, communication, collaboration, and plans/strategies needed to respond to the challenges facing our region.

Since the energy boom began in 2006, communities and counties within the regional economy have taken steps to prepare themselves for the energy boom that was being predicted. Steps were taken to address the demands in areas of infrastructure development, housing, workforce needs, childcare, business growth, land use, emergency preparedness, zoning ordinances, etc. While the growth and planning efforts always seemed to lag behind the demand when the boom began, today the region continues to grow in a much more measured fashion and a lot of it has to do with the upfront planning efforts that were implemented, which has resulted in a much more diversified economy.

The covid pandemic of 2020 helped to increase the efficiency of the region when it came to emergency response and small business recovery. Although the region suffered job and small business losses, the previous and on-going efforts of the communities/counties and their emergency response teams in diversifying the economy, building up infrastructure, updating their strategic plans, etc. all helped to reduce or mitigate the effects of the pandemic. While other areas across the state and country experienced high unemployment, major job losses, loss of business establishments, etc. our region and its economy remained steady.

Overall, for the past several years, our region has been steadily preparing itself for economic downturns. The region has strengthened its economic base and resilience through planning, business development in all economic sectors, expanding its infrastructure, solid leadership and strategies, and a deliberate measured approach solving its problems.

The region, in its current state, has transitioned from an ag and commodity-based economy to an energy-based economy. As a result, the region is experiencing a combined unemployment rate of 1.87% for the region; 72% of the top employers in each county are in the private sector; from 2012 – 2022 the regional population experienced an average annual growth rate of 4.1% compared to out-migration in the previous years; a higher per capita income in 2022 in the region than the state and national average; a steadily younger and diverse workforce in the region since 2012; new and expanded educational facilities/programs at all levels in the region; excellent transportation systems; and strong support/resources for small business development as the region grew from 500 businesses in 2007 to 2,216 by 2021.

Although the region remains strong, vibrant, and steady, there are still areas of concern that will need to be addressed in the near future as the planned future developments will start to come to fruition. In order to meet the development needs, our CEDS committee, through its SWOT analysis, has identified the following steady state initiatives:

- ❖ Create and expand economic diversification opportunities within the region.
- ❖ Increase workforce opportunities within the region where needed.
- ❖ Provide support and resources to communities within the region for infrastructure development/expansion.
- ❖ Continue to create and expand business opportunities within the region.
- ❖ Continue to work with communities/counties to update their land use ordinances, hazard mitigation plans, comprehensive plans, capital improvement plans, strategic plans, etc.

In response to the above, Tri-County will also continue to implement and address the following responsive initiatives:

- ❖ Continue to collaborate with local/regional/state officials and the general public to address the needs of the region.
- ❖ Continue to meet with local officials and the general public to solicit feedback on the on-going issues of the region.
- ❖ Continue to assist local/regional officials in their efforts for a more efficient disaster preparedness.
- ❖ Continue to provide technical assistance and information dissemination to local/regional officials and the general public on disaster recovery programs.

All of the above planning and activities are meant to be a guide to assist our region in becoming more economically diversified, resilient, and stable. While the economy in our region is currently vibrant, strong, and stable, the future development activities will provide additional challenges in the areas of affordable housing, available workforce, childcare facilities, the need for expanded infrastructure, etc. How well we are able to meet those needs will be a test of the region's economic resiliency and the current infrastructure in place. If these past several years are any indication, the region should do very well.