

2015 ANNUAL REPORT

June 2016

Tourism and outdoor recreation development

In 2014, the Pembina County Strategy Committee developed an immense tourism strategy which was adopted as part of the five year Pembina County Economic Development Strategic Plan. Also in 2014, the ND Parks and Recreation Department received input from more than 250 people for the Pembina Gorge State Recreation Area Master Plan. These two documents are leading the JDA's efforts for the evaluation and pursuit of a variety of tourism and outdoor recreation opportunities.

A visitor is defined as someone who has travelled 50+ miles or completes an overnight stay. A study done by the ND Department of Commerce – Tourism Division found that in 2013, Pembina County saw \$38.42 million in visitor spending. This was a 9.8% increase from 2011. A majority of that spending was in food and shopping.



Cavalier Motorcycle Ride In

The study indicated that attractions in the region, like the Pembina County Historical Museum and Icelandic State Park are growing in awareness. The region also has assets that visitors feel are important when choosing North Dakota as a vacation destination including state parks, historical sites, scenic drives, museums, and hiking being among the top trip motivators.

"Visitors to North Dakota are most often seeking outdoor adventure, and recent research indicates that 24 million visitors spent \$3.6 billion in 2014 and 47% named eastern North Dakota as their prime destination."

- Sara Otte Coleman, Director,
Tourism Division, ND
Department of Commerce

Pembina County: four season playground

Building an assortment of amenities for the drawing card to Pembina and Cavalier counties has been a goal of the Rendezvous Region for the past 40 years. It's this long-term dedication that has positioned the region to "launch" and rise to the next level of development as an international attraction for the state of North Dakota.

Through the efforts of many private and public partners, the region has amassed 700 miles of snowmobile trails, ski/board/tube area, summer theater, 25 miles of off-highway vehicle trails, several non-motorized trails, adventure races, renowned fossil digs, fishing tournaments, a music festival, motorcycle ride in, and more. All of these events and activities



Pembina Gorge State Recreation Area

Continued on Page 2

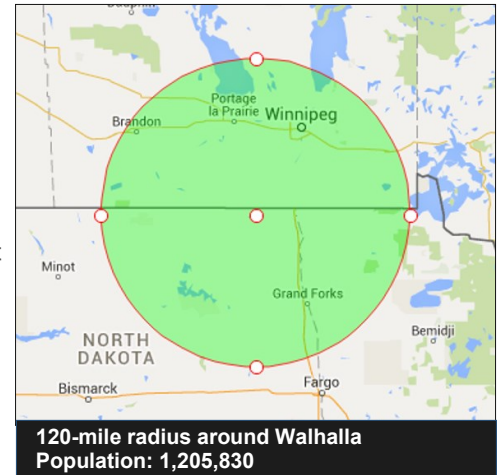


Pictured from top: OHV Trails, Pembina Gorge; Pumpkin Fest, Walhalla; Fossil Dig, Pembina Gorge; Pembina County Fair, Hamilton; Deuce of August Icelandic Festival, Mountain

drive thousands of visitors to the region year round.

The City of Cavalier hosts the annual Motorcycle Ride In and the Off The Charts Music Festival which each attract 3,000 to 4,000 attendees. “The impact of these events carry far beyond the day of the event,” said Mayor Ken Briese. “We get a wide range of exposure, and events as well as amenities are all positive for the community.”

One of the top three goals of the Pembina County Economic Development Strategic Plan is tourism development. This includes supporting the completion and implementation of the Pembina Gorge State Recreation Area Master Plan, geocaching of historic sites, growing local events, and increasing marketing efforts.



Tourism potential

Measuring or estimating economic impact is a valuable tool to assess the amount of “new money” spent in an area due to an event or activity. Tourism related expenditures typically include hotel rooms, meals, transportation, and other services. A 2013 North Dakota State University study revealed Icelandic State Park had the second-highest economic impact of the entire state park system. Local spending as a result of Icelandic State Park was more than \$6 million.

There are 1.2 million people within a two -hour drive of the area. According to Sara Otte Coleman, Director, State Tourism Division, North Dakota Department of Commerce, the region has yet to tap it’s full potential.

“The Pembina Gorge and Rendezvous Region provide an unexpected playground for outdoor enthusiasts in northeast North Dakota.” Otte Colman said, “The potential for attracting visitors to this region has not yet been met. As trails, rentals and amenities are added and marketing increases, the area is positioned to be a hub for outdoor adventure seekers from Minnesota, Wisconsin, Illinois, Manitoba and the Dakotas.”

The Rendezvous Region has many existing events and amenities that could assist in raising the region to another level of tourism value. With a continued population decline in Pembina County, tourism development is a strategy that can assist in both retaining local businesses as well as the residents. The keys to the success of this strategy will be increased marketing, and coordination and continued investment in tourism assets.

Business retention and expansion

The Pembina County Business Retention and Expansion (BR&E) program was initiated in 2015 as a direct result of the 2014 economic development strategic planning sessions with more than 50 community and business leaders throughout the county. Funding sources include a USDA Rural Business Development Grant, the Pembina County JDA and the Red River Regional Council.

Five program goals

1. Build relationships with business owners and/or upper management
2. Identify companies with plans to expand
3. Identify companies at risk of closing, leaving the community or downsizing
4. Identify company and community problems
5. Provide assistance and make connections

The program was executed in three phases. Phase I included 14 manufacturing businesses, Phase II included 17 agriculture, financial and tourism businesses and Phase III included 18 retail/service, healthcare, education and international trade businesses. A total of 49 business visits and interviews were completed between November 2015 and April 2016.

Key findings

Some common themes among the businesses included workforce shortages, high flood insurance costs, lack of child care options and limited quality and affordable housing options. Another concern was location - too close to Grand Forks, making it easy for people to not shop locally. However, 79% of the 14 manufacturing businesses interviewed intend to expand within the next three years, resulting in a minimum of 49 new jobs for the county with an estimated budget of \$5,250,000.

Next steps

A grant application was submitted to USDA Rural Development in April 2016 to support the final Phase IV. Some of the action items include:

- Follow up with companies who identified specific needs and provide enhanced technical assistance.
- Develop systematic approach to cultivate a new, innovative workforce and entrepreneurship pool to include:
 - Create a Northeast Manufacturing Group.
 - Identify younger ambassadors or “rising stars” within each business.
 - Identify specific training for manufacturers which has the potential to create higher efficiencies and have an impact on profitability.
 - Host “Manufacturing Day” in Pembina County to educate and create interest for careers in the manufacturing industry, ultimately attracting and recruit younger workers to the industry and county.
- Plan and implement Marketplace for Kids 2017 in partnership with Cavalier Public School and North Valley Career and Technology Center.
- Share possible daycare business models with interested communities, develop action plans and identify possible funding sources.



Pictured from top: Food First, Terry's True Value, Enduraplas, D & K Grocery, Icelandic State Park

Nurturing youth for success

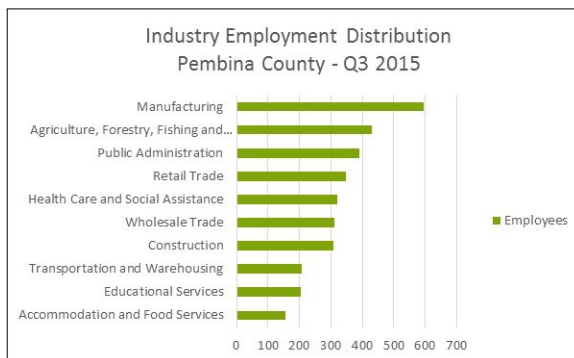
Pembina County has an aging population and has seen a steady decline since 1940. The age 65 and over population increased 7.5% from 2010-2014, whereas the under 18 population decreased 4.2% during that same time period. The current population of the county is estimated at 7,052 and by 2040, the population is estimated to drop to 5,866. This is a 20.2% decrease. The county has a shrinking labor pool that needs to be addressed immediately.

Pembina County Demographics

Age Range	2010	2014	% Change
Under 18	21.6%	20.7%	-4.2%
18-64	58.3%	57.7%	-1.0%
65 and Over	20.1%	21.6%	7.5%

Source: United States Census Bureau

Manufacturing is the leading employment sector in Pembina County, providing almost 600 jobs, but there were more than 60 job openings among the 14 manufacturers that participated in the BR&E program. These businesses are under staffed, which is impeding growth plans. One of the keys to maintaining the population in Pembina County and creating successful businesses is educating young people about the available opportunities in Pembina County and providing good jobs in towns where they want to live.



Our youth are the future

We will be partnering with Dream it. Do it., the ND Chamber of Commerce, Pembina County Public Schools, North Valley CTC and the Red River Regional Council to develop a youth Manufacturing Day to be held in October of 2016 focused on attracting and recruiting young people to careers in the manufacturing industry. They will be introduced to the industry by young ambassadors who will share their modern perspective on the industry and how they have found great careers in manufacturing.

Marketplace for Kids 2016 was held in Grafton, with more than 900 attendees from 11 area schools (a 50% increase over 2015). Each student attended five, 25-minute classes on areas such as careers on wheels, owning a restaurant, bridge building, becoming a teacher and medical devices. Cavalier will host the 2017 event.

Another way to engage youth is through Youth Entrepreneurship Camp. This program provides young entrepreneurs hands on experience of being a business owner and developing their own community and currency. This program was cancelled in 2015, but is being resurrected in July 2016 by the North Valley Career and Technology Center in Grafton.

PCJDA 2015 Annual Report

Special thanks

Mary Houdek served on the Pembina County Job Development Authority Board of Directors for more than 15 years and most recently served as the Vice Chair prior to her resignation in January 2016.

Houdek has been employed by Job Service North Dakota for 27 years and has served on several economic development boards during that time including the PCJDA, Walsh County JDA, Grafton Economic Development Committee and the Red River Regional Council.



Mary Houdek, Job Service ND

"It has been my pleasure and passion to serve on the PCJDA and to work with dedicated people who support the organization's purpose of enhancing and diversifying the economy of Pembina County."

- Mary Houdek

Celebrating 25 years of supporting Pembina County

Sampling of JDA supported projects

1991-1995

Eco Industries; St. Thomas Supply; FSP, Inc.; Rendezvous Region; Borg Nursing Home; Drayton Pasta Co.; Feed Lot Feasibility Study; Raney Resources; QMAS; Old Time Variety; Aspen Poplar Project

1996-2000

Barta Grocery Store; L.S. Industries; Main Street Café; Hyper Brothers Popcorn; Bio Sunn; Valley Pocket Foods; QMAS; Get-A-Way Inn; Northern Valley Growers; TL Haircare; Wind Energy Development Study; Dakota Dairy; Pembina County Historical Society; Carlisle Dairy; Dakota Dreams; Correctional Facility Study

2001-2005

No Place Bar & Grill; Motor Coach Industries; Farmers Co-op Elevator; Turtle Mountain Tourism Assoc.; Arrow Industries; Drayton Oxcart Trail Historical Society; Westwood Manufacturing; Sally's Dog Grooming; Tarnel, USA; St. Thomas Sales; Wild Fire Technologies; Hank's Corner; La Tea Da; Valley Crete; Carpenter Innovations; Pembina County Historic Preservation Commission; Wind Energy

2006-2010

City of Walhalla Rendezvous Market; Select Inn Motel Feasibility Study; Enduraplas; Chuckwagon Restaurant; Marciniak Enterprises; Pembina River Trail; North Dakota Labor Study; City of Mountain Community Center; SweetPro Feeds; Arrow Advertising; Youth Entrepreneurship Camp; Bordertown Wire Products, Inc.; Pembina County Leadership Program

2011-2016

Woodside Industries; Midway Seed; Buck's Crossing; Red River Repair; Stateside Electric; Walhalla Farmers Grain; Walhalla Ag Service, LLC; Marketplace for Kids; Enduraplas; Food First/Harvest Fuel, Inc.; Pembina County Memorial Hospital; On Prairie Software; Eyford Ridge Seed Company; Rimco, Inc.; Kids Townhouse; Halcrows LLC; Agassiz Excavating; Main Street Floral; Valley Building & Home Design Center; Pembina Daycare; Bathgate Playground; Cavalier Housing Rehab

"25 years ago the JDA was established for the Pembina County residents to retain and revitalize business, industry, and recreation amenities. The JDA will strive to assist with continued growth for the next 25 years."

- Kathy Stremick, JDA Board Member

County and city links

Pembina County

www.pembinacountynd.gov

City of Cavalier

www.cavaliernd.com

City of Drayton

www.draytonnd.com

City of Mountain

www.mountainnd.com

City of Pembina

www.pembina.govoffice.com

City of St. Thomas

www.stthomasnd.govoffice3.com

City of Walhalla

www.walhalland.org

Pembina Gorge State Recreation Area Master Plan

<https://sites.google.com/site/pembinagorge/master-plan>

Red River Regional Council

www.redriverrc.com

Pembina County Strategic Plan priorities:

- 1) Business development
- 2) Tourism development
- 3) Community development



Rod & Reel Rally Catfishing Tourney, Drayton

JDA investment summary 2011-2015

Year	JDA Investment Amount	Leveraged Funds	Jobs Created
2015	\$214,180	\$3,208,417	6
2014	\$277,872	\$2,198,284	21
2013	\$138,837	\$2,171,150	11
2012	\$80,715	\$0	0
2011	\$30,240	\$250,000	0

Note: Investments include loans, grants, consultants, sponsorships and staff.



2015 PCJDA Board Members

Pictured left to right: Roberta Corrick, Dennis Barker, Chuck Thacker, Curtis Morrison, Ann Burgess, Hugh Ralston, Corene Vaughn, Ken Briese, Kathy Stremick, Gary Nilsson, Kristina Halverson, Charlie Wellman.

Not Pictured: Charles Damschen, Myrna Styles, Nancy Thompson.

"The JDA is essential to our county. It provides opportunities for new and existing businesses, and improving our communities."

- Charlie Wellman, JDA Board Member

Executive Director's corner

By Dawn Keeley

Pembina County has a unique value proposition. There are more manufacturing jobs (600+) than agriculture jobs. It is also home to the fifth largest United States/Canadian trade corridor – the largest between Seattle to Michigan. There are many natural amenities for outdoor enthusiasts including the Red River, Pembina River, Renwick Dam and the Pembina Gorge. The federal government has a presence and employment through the US Customs and Border Protection, as well as the Cavalier Air Station. The county is also home to a rich pre-historic and modern history – a paleontology goldmine and a founding region of the state (Pembina will be celebrating its 220th settlement anniversary – the state's oldest – in 2017).

Even with all these things ... Pembina County has continued to lose population for 70 years. The county has lost nearly 1,500 people since 2000 alone. This is more than the population of the City of Cavalier. Economic development practitioners long-believed that creating primary sector jobs (manufacturing and more), would result in strong communities.

We've learned that primary sector jobs alone will not stop population decline – we need strong communities to support strong companies. We need to build communities with sufficient and superior amenities that make Pembina County the location of choice for our current, former and future residents. The Pembina County JDA is committed to providing leadership and serving as a community partner to achieve these goals.

Pembina County Job Development Authority Board of Directors

Chuck Thacker, Chairman
Township Officer

Roberta Corrick, Vice Chair
Member at Large

Kathy Stremick, Treasurer
Local Industrial Development

Dennis Barker
City of St. Thomas

Ken Briesse
City of Cavalier

Ann Burgess
Remaining Cities Representative

Rep. Charles Damschen
Legislative Assembly

Kristina Halverson
Red River Regional Council

Curtis Morrison
Township Officer

Gary Nilsson
Pembina County Commission

Hugh Ralston
Pembina County Commission

Myrna Styles
City of Walhalla

Nancy Thompson
City of Pembina

Corene Vaughn
Member at Large

Charlie Wellman
Member at Large

CONTACT INFORMATION

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Loan portfolio summary

Program	Active Loans	Receivables and Commitments	Leveraged Funds
PCJDA	17	\$522,271	\$3,208,417

2015 project summary

Grant Writing

- Secured \$30,000 USDA Rural Business Development Grant to initiate and implement the Business Retention and Expansion project.
- Assisted City of Bathgate with \$30,000 grant application to ND Parks and Recreation for playground equipment.
- Secured State Historical Society Certified Local Government Grant - created a joint Historic Preservation Society brochure with Walsh County.
- Assisted the Pembina Growth Committee in securing \$68,652 grant from ND Department of Commerce for new, licensed daycare facility.

Grants

- Kids Townhouse renovations - \$7,592.
- Pembina-Walsh Livestock Processing Plant LLC APUC match - \$12,000.
- Business Retention and Expansion USDA grant match - \$15,000.
- Cavalier Housing Authority rehab project - \$12,193.
- Pembina Growth Committee - child care facility - \$12,875.

Loans

- Kids Townhouse renovations - \$5,958.
- Midway Seed purchase - \$62,955.
- Halcrows LLC expansion - \$37,875.

Sponsorships

- Marketplace for Kids - \$2,000.
- Ideas to Actions Summit - \$750.
- Business Retention and Expansion consultants.



Marketplace for Kids - 600 Attendees in Cavalier, April 2015

Region IV community survey

The need for a Region IV (Pembina, Walsh, Nelson and Grand Forks counties) community assessment was identified as part of the Comprehensive Economic Development Strategic Planning process undertaken by the RRRC in 2014. With funding support from the ND Department of Commerce – Division of Community Services, 28 cities, including seven from Pembina County, participated in an online and in-person survey in 2015. The purpose was to hear from the cities regarding challenges they are facing with specific projects, needs, funding sources and other issues.

Pembina County needs identified

- Infrastructure: overland flooding, street paving/repairs, sewer repairs, lift station replacement.
- Housing: assistance with housing rehabilitation and demolition of substandard housing, more rental units and affordable housing options.
- Recreation: new playground equipment, pool maintenance, bike path resurfacing.
- Other: need additional licensed child care options, improved cell phone coverage, six cities identified local fire department needs including new buildings and/or vehicles.

“Access to affordable, quality child care is pivotal to keeping young families in our communities.”

- Chuck Thacker, JDA
Chairman



Pembina Daycare

Pembina County Job Development Authority

516 Cooper Avenue, Suite 101
Grafton, ND 58237

PLACE
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