



Testimony
House Finance and Taxation Committee
HOUSE BILL NO. 1425
February 2, 2021

Good morning Chairman Headland and members of the House Finance and Taxation Committee. The Valley Prosperity Partnership (VPP) is an initiative led by business executives to advance and advocate for shared strategic economic development opportunities that will strengthen and diversify the Red River Valley region and North Dakota. Thanks to the vision of these business leaders and to public policy leaders like yourself, the legislature will have multiple proposals to consider that seek to accomplish those goals by investing state dollars into infrastructure projects and emerging or expanding companies in the state.

Several of those proposals are before you today – to create a legacy infrastructure loan fund and make investments in qualified funds that will make equity investments in We support these investments in infrastructure and innovative companies with exciting ideas and high potential to make a significant impact on our economy.

First, we want to thank the legislature for supporting water control and supply projects that are of vital importance to the regional and state economy and to ask you to earnestly consider further financial support of these projects to bring them to completion. The Red River Valley Water Supply project is of critical importance to the economic well-being of the region's businesses and residents. Without the certainty of an adequate water supply, companies may restrain their growth, expand elsewhere or choose to relocate. Companies from outside the region looking for a new location may take cities and counties in the Valley off their short list of potential sites.

The economic impact would be especially disastrous in the event of an extended drought, with losses in that scenario now estimated to reach as \$25 billion. Simply put, the strength of our economy relies on a steady and reliable supply of water. The Valley Prosperity Partnership believes that funding these water control and supply priorities is a long-term economic strategy that has statewide implications. Our CEOs firmly stand



behind the need of these projects and the certainty they will provide the businesses they lead.

The VPP also supports provisions in House Bill 1425 to enable the state investment board to allocate funding to qualified investment firms and financial institutions for the purpose of making fixed income investments and equity investments within the state. Currently, the \$7 billion Legacy Fund is invested almost entirely outside of North Dakota and the U.S.

These investments in North Dakota will address the gaps that exist in the capital markets in North Dakota, provide a market rate of return, assist in the diversification of our state's economy and get a multiplier effect with monies circulating in our communities.

The VPP believes that making equity capital available for emerging and expanding businesses in the state will help to grow our economy by keeping our successful home-grown entrepreneurs in the state and create many new high skilled job opportunities for North Dakotans across that state.



The Valley Prosperity Partnership (VPP) is focused on developing a unified, shared vision for high value and sustained economic growth for all Red River Valley residents. A steering committee of private sector industry and higher education leaders, joined by economic development partners, work to advance strategic economic development opportunities for the Red River Valley region of North Dakota and Minnesota and for the entire State of North Dakota.

Marshal Albright, President & CEO
Cass County Electric Cooperative,
Co-Chair, Valley Prosperity Partnership

Steve Burian, President & CEO
Burian & Associates
Co-Chair, Valley Prosperity Partnership

Judd Graham, CEO Fargo Region
Bremer Bank, Vice Co-Chair

Brian Johnson, CEO
Choice Financial Group, Vice Co-Chair

Andrew Armacost, President
University of North Dakota

Tom Astrup, President & CEO
American Crystal Sugar

Barry Batcheller, Chairman
Appareo Systems

Dean Bresciani, President
North Dakota State University

Dan Conrad, President & CEO
Blue Cross Blue Shield North Dakota

Tim Curoe, CEO
RD Offutt Company

Mylo Einarson, President & CEO
Nodak Electric Cooperative

Chad Flanagan, Partner
Eide Bailly

Shawn Gaddie, Director of Infrastructure
Management Services
AE2S

Jim Galloway, Principal
JLG Architects

Keith Lund, President & CEO
Grand Forks Region EDC

William C. Marcil, Sr. Chairman
Forum Communications Company

Pat McAdaragh, President & CEO
Midco

Jeff Melgaard, Vice President
Construction Engineers

Dave Molmen, CEO
Altru Health System

Bryan Nermoe, President
Sanford Medical Center Fargo

Tony Grindberg, ND Principal Manager
Xcel Energy

Joe Raso, President & CEO
Greater Fargo Moorhead EDC

John Richman, President
North Dakota State College of Science

Jim Roers, President & CEO
Roers Construction & Development

Thomas Shorma, President & CEO
WCCO Belting, Inc.

Richard Solberg, Chairman & CEO
Bell State Bank & Trust

Steve Swiontek, Executive Chair
Gate City Bank

David White, President
Border States Electric

Chris Wolf, North Valley Market President
Alerus Financial