


### Economic Activity

### Business Opportunities & Challenges

Jeff Zarling – President, Dawa Solutions Group, LLC.

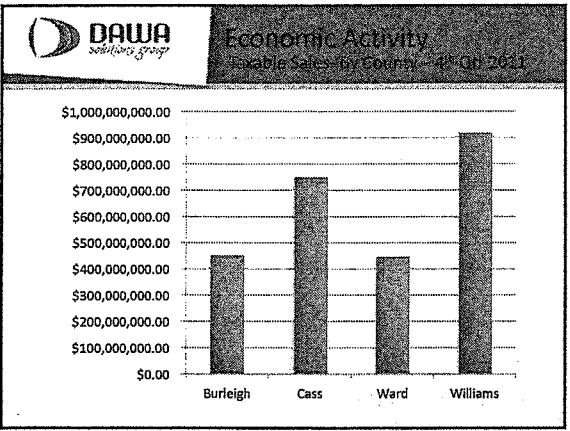
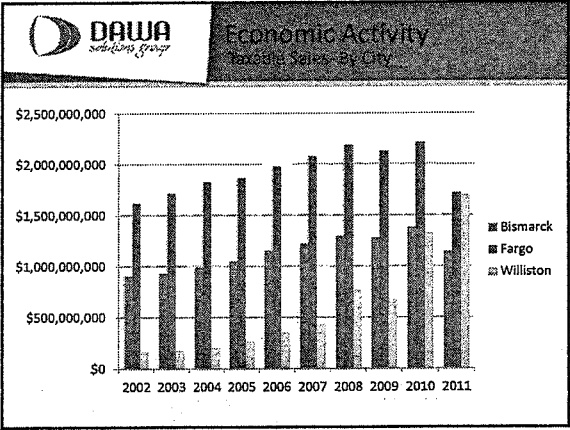
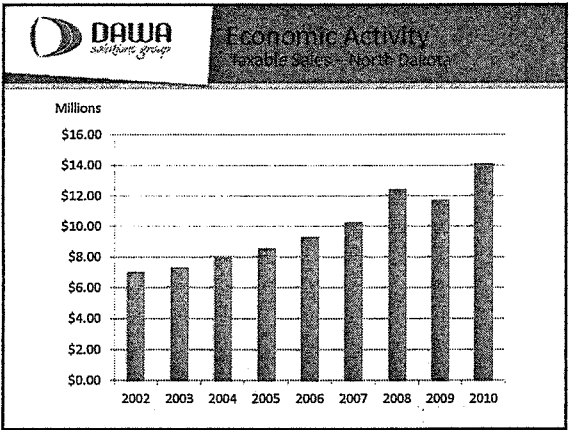



### Topics Covered

#### Economic Activity

#### Business Opportunities & Challenges

- Economic activity in the Williston region
- Business opportunities
- Business challenges
  - Workforce
  - Housing
  - Daycare
- Legislative perspectives





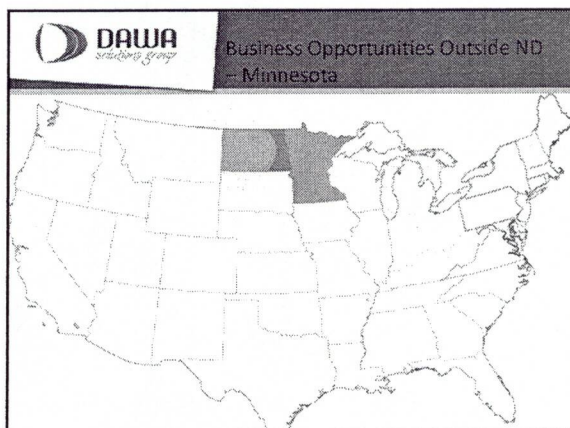
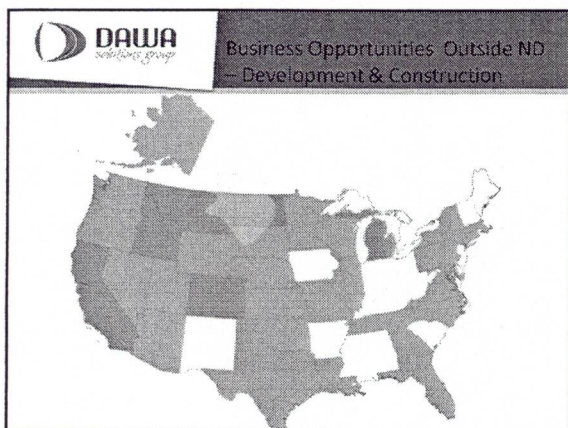
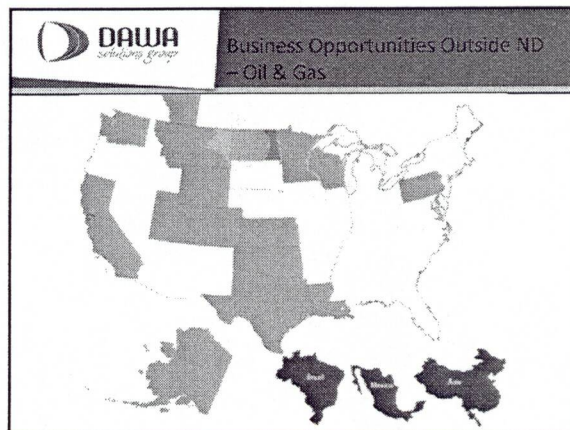
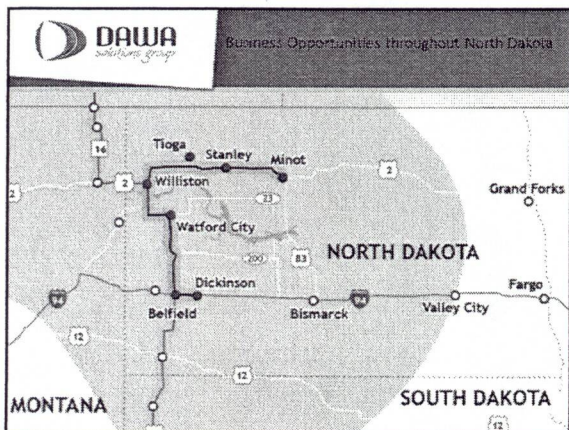
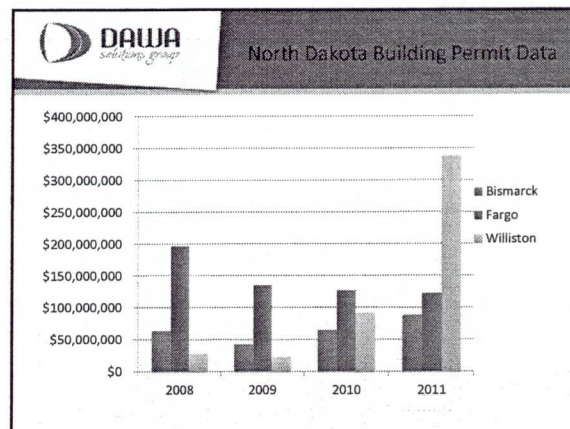
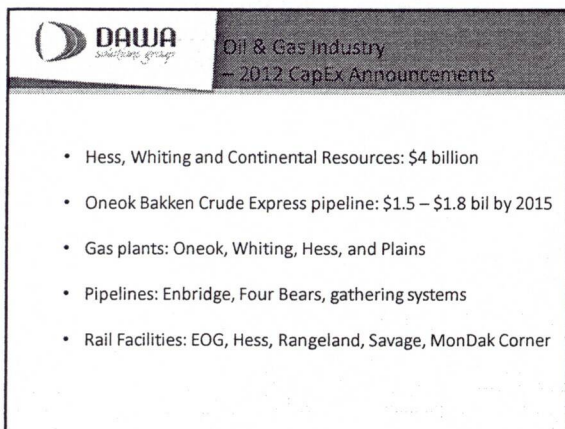
### Annual Economic Impact of the Bakken Drilling


- Each well costs \$8.5mil to drill and complete
- 4,500 wells needed to secure leases in 2 years
- 27,500 wells needed to develop spacing units in 16 years
- 209 Active drilling rigs

(Source: NDIC)

- 2,250 wells/yr \* \$8.5mil = \$19.1 bil/yr


	2010	2009	2008	2007	2006	2005
GDP (billions)	\$33.4	\$31.9	\$31.2	\$28.5	\$25.4	\$24.3




 Challenges - Housing

**Housing Units:**

- 5,944 – Total housing units in 2000
- 7,338 – Total housing units in 2010
- 738 – Housing units built 2003 – 2009
- 688 – Housing units built 2010
- 1,440 – Housing units built 2011
- 2,866 – total built 2003 – 2011
- 48% increase in housing units in 9 years


 Challenges - Housing

- Raw land prices
- Access to and cost of infrastructure
- Contractors and Subs
  - Availability and reliability
  - Costs
- Cost of capital - lack of commercial lending
- Return horizon
- Consumer credit problems
- Appraisals: access to information – closed records

 Challenges - Housing


**Market developments and initiatives**

- Private companies and money are showing up
- Bank of North Dakota
  - Flex PACE
  - Sub-participation program
- ND Housing Incentive Fund
- Educating the national marketplace
- Credit counseling and financial literacy

 Challenges - Daycare

**Acute shortage of daycare**

- 3,000 slot shortage?
- Costs
  - Land and facility costs
  - Employee wage costs
  - Provider to child ratios
- Regulatory changes?

 Legislative Perspectives

**Housing**

- BND – program awareness and support
- HIF – extend and modify
- Closed records – review for possible change

**Daycare**


- Regulatory?

**Education**

- Planning and Project Management

**Invest in the West to Fund the Rest**

- Continued direct investment in infrastructure
- State Planner?

 Questions ?



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