



**Testimony of Jennifer Greuel
Economic Development Association of North Dakota
In Support of SB 2014
January 13, 2021**

Chair Holmberg and members of the Senate Appropriations Committee:

I am Jennifer Greuel from the Economic Development Association of North Dakota (EDND), and I would like to express our support for SB 2014, which includes the appropriation for the Bank of North Dakota (BND) and the North Dakota Housing Finance Agency (NDHFA).

EDND represents more than 150 state economic development organizations on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant and efficient communities and to improve quality of life.

Bank of North Dakota

Bank of North Dakota (BND) programs are important to and widely used by economic developers across the state. Supporting PACE and Flex PACE programs consistently arise as one of our developer's top legislative priorities and the top tools they use in their community. PACE and Flex PACE provide flexibility for businesses and development agencies to support new and growing businesses in a fiscally safe manner in both rural and urban North Dakota.

Speak to any local developer in the state and you will hear a wide variety of stories about the program's impact. A young entrepreneur from Carrington used the Flex PACE Program to help build a modern gym facility, providing 14 jobs and an opportunity for better health and wellness for the community. A malting company in Bismarck used Flex PACE to generate new wealth for the state and now sells its products to more than 70 breweries in 25 states. Mandan has used the program to meet the community's demand for more restaurants. Baker Boy in Dickinson has used PACE

and Flex PACE to continue to expand its business and increase out-of-state sales. Due to the overwhelming popularity of the program, EDND supports the recommendations for appropriating \$40 million in BND capital to fund the PACE buy-down programs. These programs increase property tax revenue, expand business capacity, create new and highly skilled jobs, and help entrepreneurs in communities throughout the state.

Another major concern of developers and citizens throughout the state is infrastructure funding. The executive budget recommends utilizing a portion of the Legacy Fund earnings to fund a bond payment with the proceeds increasing the BND Infrastructure Revolving Loan Fund by \$700 million dollars. Quality infrastructure is important to current and potential businesses investing in North Dakota. This program allows towns and cities across the state to have access to affordable financing while providing for return on investment to the state.

North Dakota Housing Finance Agency

Affordable housing also continues to be a priority for expansion of North Dakota's businesses and communities in all areas of North Dakota. The Housing Incentive Fund is a flexible gap financing tool leveraged to develop affordable multi-family housing for essential service workers, main street employees, fixed-income households, and older adults. A major stumbling block to attracting businesses, which would diversify the economy, or to attracting workers to fill the thousands of service jobs open in the state is a lack of affordable housing. The executive budget allocates \$8 million for the Housing Incentive Fund from Legacy Fund earnings to support this fund and EDND asks for your consideration to fund this tool.

Agriculture Products Utilization Fund

In 2019 the Agriculture Products Utilization Fund (APUC) received \$2 million in one-time funding from Bank of North Dakota revenues. \$3 million in funding for APUC was included in the Governor's 2021-23 recommendation for the Industrial Commission budget, but is not included in SB 2014. This program affects value-added ag operations at all levels, from large manufacturers such as Cloverdale Foods Company in Mandan to smaller operations like Duchessa Gelato in Carrington, which applied to the program in order to start a gelato production facility using their family farm's dairy milk. The more

value can be added to crops and animals raised within the state, the more agriculture and the state's economy can benefit. EDND members are extremely supportive of the APUC and encourage it to be funded at adequate levels.

EDND understands the difficult decisions you have to determine the state's future, and we appreciate all the thoughtfulness you have put into managing this responsibility. Please consider how programs and resources support the communities in the entire state as you make these decisions. I urge the committee's support of these priorities within SB 2014. Thank you.