

Testimony

Senate Government and Veterans Affairs BILL NO. 1141 March 11, 2021

Good afternoon Chairman Vedaas and members of the Committee. My name is Joe Raso. I am the President and CEO of The Greater Fargo Moorhead Economic Development Corporation, and also an executive committee member of the Valley Prosperity Partnership (VPP), an initiative led by business executives to advance and advocate for shared strategic economic development opportunities for the Red River Valley region and for North Dakota.

First, I'd like to thank all of you who served in the last legislative session for your leadership in creating the Legacy Innovation Fund to support Technology (LIFT) program to advance innovative technologies across our state. I've had the pleasure of serving more than 27 years in economic development and find this to be one of the most valued, beneficial, and utilized programs to support the growth of regional and state economies. And its creation and utilization couldn't have come at a more opportune time.

In less than one year, we were able to partner with leading technology companies, using LIFT and local loan programs, to help them expand in, and locate to, North Dakota. Along the Red River Valley, my organization, and our partners in Grand Forks, have been able to assist fifteen businesses.

And as exciting, due to this program and others being discussed, word has gotten out that North Dakota wants to partner with its leading technology companies and attract more to our state. At last count the Greater Fargo Moorhead EDC and Grand Forks EDCs have twelve companies we are working with to attract into the region. These companies are currently headquartered in markets such as MSP, Virginia, Missouri, California, Colorado, and in the UK and Italy. In addition to a strong business climate and targeted industry sectors that align with theirs, much of their interest was piqued by the partnership the LIFT program provides.

Given the response, in less than one year, of being able to allocate \$15 million to innovative and growing companies; coupled with the pipeline of companies interested in the future of the LIFT program; we believe a considerable increase in allocation to this program is a prudent step for the legislature to take. We know that the House approved an investment of \$15 million, but based on past results and current interest, we would respectfully suggest your consideration of an amount between \$40-\$50 million. We realize this is a significant investment but believe the ROI will be substantial.

As an example, my organization manages a loan fund for Cass County that began in 1995 with a \$7 million investment from Cass County, Fargo and West Fargo. Over the past 25 years, we have been able to support 250 projects, which have created 6,000 jobs and witnessed capital investments of more than \$500 million. We believe the future of the LIFT program can follow this same trajectory.

Thank you for your consideration of this bill, and please know that we are at the ready to continue working with you, the Department of Commerce, Bank of North Dakota and all those leading the charge to strengthen and diversify our economy.