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June 30, 2021

City of Minot
Mayor Shaun Sipma
515 2nd Avenue Southwest
Minot, North Dakota 58701

Re: **Report to City of Minot Regarding the Contractual Obligations of MACEDC**

Dear Mayor Sipma:

Thank you for the invitation to present to the Minot City Council at the meeting on July 6, 2021. According to Sections 2.c. and 2.i. of the Professional Services Agreement between the Minot Area Chamber EDC (MACEDC) and the City of Minot, the Chamber EDC must provide a 12-month written plan as well as a written report to the City each June and December. Per these obligations, this correspondence serves to provide a written plan and report to the City of Minot. The sections of the contract are italicized in the sections that follow, along with the corresponding actions of MACEDC.

2.a. MACEDC shall market and promote the City for purposes of the attraction of new primary sector businesses and employment opportunities consistent with the City's overall goal of a sustainable, diverse economic base and economy. MACEDC will further seek business retention and expansion of existing primary sector businesses in the Minot area.

Logistics Park of North Dakota
Intermodal Transportation Facility

A primary focus of MACEDC as it relates to primary sector business attraction, retention and expansion is related to the purchase and development of the Logistics Park of North Dakota to be able to sustain intermodal transportation from Minot to major ports on the west coast. The largest primary sector activities and opportunities are related to production of agricultural commodities and energy. Because these are traded on a global scale, logistics associated with transporting these commodities to global markets are key.

The Chamber EDC has worked diligently with all parties relating to the Logistics Park in order to negotiate the purchase of the infrastructure assets and land; to facilitate the expansion of the intermodal site infrastructure into BNSF Railway's Gavin Yard and to facilitate an agreement with the intermodal operator. For long term sustainability, the

operations must move off the main line. To help alleviate the immense cost of this project, Senate Bill No. 2245 was introduced to the 67th Legislative Assembly and was supported by the Greater North Dakota Chamber and Economic Development Association of North Dakota (EDND). The North Dakota State Legislature approved \$2 million for the Intermodal Transportation Assistance Program, which is a one-time federal funding item with the purpose of expanding rail capacity to support economic and workforce development and growth and enhance the value of agriculture and commercial products exported through an intermodal facility in North Dakota.

The current operator of the Logistics Park is Rail Modal Group (RMG). RMG has developed a network of privately operated intermodal facilities providing services to inland containerized export shippers. In cooperation with BNSF Railway, RMG currently operates other intermodal ramps throughout the United States. Multiple ocean carriers reposition trainloads of empty containers from surplus locations in Chicago Illinois, Memphis Tennessee, Dallas Texas, and other origins offering extensive export capacity. The operator is currently shipping one unit train out of Minot per week. Through June 2021, 28 full unit trains with over 6,000 containers have shipped out of the Minot facility. That volume of containers represents approximately 20% of the volume of product shipped from the trains' end destination, terminal 18 at Seattle. The introduction of intermodal service creates dramatic economic benefit to producers, processors, miners, and shippers of everything from grain and minerals to industrial and manufactured products. All of these suppliers benefit from this newly created transportation option.

Our state has been trying to develop an intermodal solution for almost 2 decades without success. Promoting this sustainable intermodal transportation opportunity in Minot creates long-term value to economic growth throughout our entire region.

Logistics Park of Minot

MACEDC has also continued to address the development on the north side of County Road 12, the Logistics Park of Minot. This 800 acre property has a BNSF Site Certification on 386 rail-served acres, which reduces development time, increases speed to market, and reduces upfront development risk of rail-served industrial sites. With this certification, BNSF promotes our site and sends relevant customers our way. One significant example is Rail Modal Group, a business that was referred to the Chamber EDC by BNSF.

In September of 2018, MACEDC applied for a Consolidated Rail Infrastructure and Safety Improvement (CRISI) grant through the Federal Railroad Administration and was awarded on June 12, 2019. Work is currently progressing at the project site, which is encompassed by the Logistics Park of North Dakota. The project site totals approximately 900 acres of land that is intended to support intermodal facility operations and hosting businesses and industries that will use the intermodal

operations. The City of Minot has been instrumental in the advancement of this project, providing the required local contribution of \$400,000.

Minot Air Force Base Support

It's no secret that Minot's economy relies heavily on Minot Air Force Base (MAFB). In 2020 alone, MAFB contributed \$622.3 million to the Minot community. Along with value-added agriculture, energy, distribution, and UAS, the military is one of the Chamber EDC's top industries to focus on. The two organizations merged together (MADC and Chamber) have the opportunity to do even more to support our base.

Requests for Proposals (RFPs)

The Chamber EDC has been dedicated to responding to requests for proposals (RFPs) received from the ND Department of Commerce.

- In 2019, the Chamber EDC received 3 RFPs and responded to all.
- In 2020, the Chamber EDC received 2 RFPs and responded to both.
- In FY 2021 to date, the Chamber EDC has responded to 2 RFPs.

Prospective Clients

MACEDC has had two potential clients in 2021; one of which is moving forward with their project in Minot. The other involved, a site selector reaching out to purchase land for a client. Although not in the LPM, a sale is pending on an alternate site that the Chamber EDC assisted in finding.

2.b. MACEDC shall develop a comprehensive Economic Development Strategic Plan, denoting its mission, vision, targets, strategies, tactics, and performance metrics/milestones, to be deployed by end of 2022.

MACEDC plans to hold a strategic planning session with the merged board starting in Q1 2022. The MACEDC Board of Directors, along with staff, have begun the process within the committees formed through the Key Initiative Strategies found on Attachment A.

- The mission, vision, and values of the MACEDC were adopted by the board in April.

Mission: It is the mission of the Minot Area Chamber EDC to advocate for and invest in business activity by being a collaborative partner in the community, focused on improving quality of life for all.

Vision: To be the go-to organization for our business community to drive key initiatives that build and strengthen our economy.

Values:

Advocacy: We serve as the champion and voice for business by representing the best interests of our member investors at local, regional, and national levels.

Catalyst: We are a catalyst and convener for regional economic development focused on business expansion, retention, and recruitment.

Collaboration: We are stronger and better together. Partnership is the core of what we do, working together to strengthen our community.

Community: We focus on creating a diverse community in which people want to live, work, and play.

Leadership: We encourage community involvement and provide opportunities for engagement and leadership development.

Integrity: We are stewards of the community resources with which we have been entrusted.

The 2021 MACEDC Board of Directors can be found on Attachment B. This 14-member board is represented by community and business leaders who volunteer their time to serve and govern the Chamber EDC. These volunteers spend numerous hours per month helping steer the organization toward a successful future by ensuring the Chamber EDC's mission is fulfilled effectively.

2.c. In June 2021, MACEDC shall provide the City with a 12-month written plan establishing the activities, timelines, benchmarks, and goals MACEDC intends to undertake in order to carry out the roles and obligations set forth in Section 2 of this Agreement.

As stated in 2.b. and 2.j. of this Agreement, MACEDC has an active Key Initiative Strategy plan for 2021 (Attachment A), that was previously reviewed by the City Council.

- MACEDC will continue to market and promote the City of Minot, for the purpose of attracting new primary sector businesses and employment opportunities by:
 - Attending trade shows and conferences that are relevant to the key industries: Value-added agriculture, energy, distribution, UAS, and military. So far in 2021, MACEDC was a sponsor of the Northern Pulse Growers Association Annual Convention and attended the Williston Basin Petroleum Conference as a platinum sponsor with a booth. In addition, we work closely with partners throughout the state and attended the EDND summer conference.
 - Inquiring with potential new businesses within those industries and recruit new businesses as leads.
 - Growing the Chamber EDC's online presence with the new merged website and through steady posts on social media. The merged website includes the Location One Information System (LOIS) database where site selectors can easily view all the details needed on available sites and buildings in Minot.

- Exploring site selector conferences and attending if suitable. MACEDC plans to budget for these conferences in 2022.
- Placing an ad and advertorial in the Business Facilities “Ranking Report”, in which North Dakota is featured.
- Assisting with the Greater North Dakota Chamber upcoming spotlight story on RMG and Minot’s intermodal facility.
- MACEDC will focus on the Business Retention & Expansion (BR&E) program to ensure stability and long-term success for existing primary sector businesses in the Minot area. The Chamber EDC serves as a resource for existing businesses by facilitating local, regional, state, and federal resources as well as connecting businesses with the right tools to address their needs. The recent addition of an economic development specialist employee strengthens MACEDC’s focus on BR&E; the business contact list has been updated and meetings have started getting scheduled. The Chamber EDC has set a goal of completing interviews with 70% of the business list by end of December 2021.
- MACEDC plans to secure a long-term intermodal opportunity at the Logistics Park of North Dakota (LPND) by Q3 2021.
- MACEDC will continue development and recruitment of tenants for the Logistics Park of Minot throughout 2021.
 - The Chamber EDC will respond to all applicable Request for Proposals received by the ND Department of Commerce.
 - The CRISI grant project management will continue throughout 2021 into 2022.
- MACEDC board members and staff will continue membership recruitment and retention and will work to define value proposition to members. This work will continue throughout 2021.
- MACEDC board members and staff will keep on assessing the impact and efficiency of all current programs. In addition to evaluating effectiveness, an internal MACEDC committee is working to define gaps in the programming. These gaps include:
 - Small business and entrepreneur development. The Chamber EDC has found a program to take more primary responsibility. The national program is called Co-Starter and is nationally recognized to be the fastest and most customizable method for jump starting the entrepreneurial ecosystem.
 - Addressing workforce needs and more educational opportunities. The Chamber EDC has supported the continued development and growth of a Career and Technical Education Center (CTE) in downtown Minot and work with business and education partners on potential new opportunities for CTE.
 - A comprehensive strategic planning session. MACEDC plans to start the process in Q1 2022. Please refer to Section 2.b. for more information.
- MACEDC board members and staff will continue reviewing the long-term viability of the Motor Vehicle Department, which is managed by the Chamber EDC, through December 2021.

- MACEDC will continue to serve as an advocate for its member investors, promoting business and growth in the Minot area. This work will continue through December 2021.

2.d. MACEDC shall develop Key Performance Indicators to evaluate program success, and if necessary, modify MACEDC's economic development strategy and approach, with specific attention to the primary sector businesses and changing economic conditions within its service area. MACEDC shall arrange and host one (1) familiarization tour with a site selector prior to the expiration of this Agreement. MACEDC shall conduct business expansion and retention interviews.

Work on strategic plan development has been and will be a focus of the MACEDC to evaluate program success. The Chamber EDC is actively monitoring site selector conferences, including those of the Site Selectors Guild and Business Facilities.

So far in 2021, the Chamber EDC has worked with three site selectors, one of which facilitated finding land in Minot.

A strong Business Expansion & Retention (BR&E) program is an integral part of any successful economic development organization. The Chamber EDC has added an economic development specialist, whose position will prioritize BR&E. Work has already begun on updating the business contact list and meetings have been scheduled. The goal of July 2021-January 2022 is to complete meetings with 70% of the listed businesses. The Chamber EDC will be providing a detailed BR&E report to the City Council by end of December 2021.

2.e. MACEDC shall provide its monthly board report and supporting documents to the City Manager / Mayor's Executive Secretary in electronic form and that report can be transmitted to the City Council, Community and Economic Development Director and Magic Fund Screening Committee by the City.

MACEDC has fulfilled and will continue to fulfill this contractual obligation. In addition to providing the monthly board report, MACEDC President John MacMartin has a standing monthly meeting with City Manager Harold Stewart.

2.f. MACEDC shall provide needed support to the MAGIC Fund Screening Committee including receiving, reviewing, and conforming all applications with a primary sector nexus for the MAGIC Fund with a recommendation of disposition to the MAGIC Fund Screening Committee; and regularly meet with the MAGIC Fund Screening Committee to assess the overall progress in the use of the MAGIC Fund and the status of MAGIC Fund projects. MACEDC shall establish and maintain a voting position on the MADC board of directors for the Mayor or his or her designee.

MACEDC has fulfilled and will continue to fulfill this contractual obligation. In addition to meeting with committee members and including a standing position for the Mayor and

his/her designee, the Chamber EDC has supplied legal assistance within the MAGIC Fund projects.

- MACEDC supported the successful MAGIC Fund request for the Career and Technical Education Center (CTE). The Chamber EDC's attorney has drafted all documents relating to this project, which has included 12.5+ hours of legal work. The Chamber EDC's budget covers the attorney's costs that are incurred.

2.g. MACEDC shall update and revise the MACEDC website and make it available with information geared towards site selectors.

MACEDC is in the process of fulfilling and will continue to fulfill this contractual obligation. Please refer to 2.h. for further details.

2.h. If the City agrees to provide additional funding for a LOIS subscription as described in Section 1.c., MACEDC shall secure a subscription to the LOIS website and place at least 75% of the listings of available land and buildings into the system prior to the expiration of this Agreement.

MACEDC has secured an annual subscription with LOIS effective June 1, 2021 and is in the process of placing available land and buildings into the system. MACEDC staff attended LOIS training on June 10.

2.i. In June and December, MACEDC shall submit a written report to the City, setting forth the specific activities and specific deliverables taken to achieve the obligations outlined in Section 2 of this Agreement.

Pursuant to this obligation, this document serves as the Chamber EDC written report to set forth specific activities and specific deliverables taken to achieve all requirements outlined in Section 2.

2.j. MACEDC shall achieve the 2021 Key Initiatives as described in Exhibit A, which is attached and incorporated by reference into this Agreement.

MACEDC is has fulfilled and will continue to fulfill this contractual obligation. Please note that succession planning will start in Q4 2021.

We are sincerely appreciative of the City of Minot's partnership and look forward to a prosperous 2021 and beyond. Please contact me with any questions.

Sincerely,

L. John MacMartin, President
Minot Area Chamber EDC