

Regional Economic Impact of Cass County, ND and Clay County, MN

May 22, 2015

GFMEDC Mission



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- Grow and diversify the economy in Cass County, N.D. and Clay County, Minn. through the retention, expansion and attraction of primary sector businesses.
 - Primary sector business is one that adds value to a good or service and then sells that good or service outside the trade region. Ex.: manufacturing, back office operations, software development.

FM Economic Indicators

Population 2014 Estimate		220,134
Employment Dec. 2014	<i>Labor Force</i>	124,877
	<i>Employed</i>	121,318
	<i>Unemployment Rate</i>	2.9%
New Housing Units 2014		3,569
Metro GDP 2013(BEA)		~\$14.5 billion
Median Household Income (2014 est.)		\$52,583

FM Economy in Perspective



- FM MSA GDP: ~\$14.5 billion
- N.D. GDP: ~\$56.3 billion
- Minn. GDP: ~\$312 billion

Employment by Industry

Industry Classification	Employment
Mining, Logging, and Construction	9,000
Manufacturing	10,300
Trade, Transportation, and Utilities	30,900
Information	3,300
Financial Activities	10,100
Professional and Business Services	15,800
Educational and Health Services	22,300
Leisure and Hospitality	14,600
Other Services	5,200
Government	18,500
Total non-farm jobs	140,000

Primary Sector Employment

Approximate breakdown of primary jobs by industry:

- Manufacturing 37%
- Back Office 25%
- Information Technology (IT) 18%
- Corporate Headquarters 7%
- Value-Added Agriculture 6%
- Distribution 5%
- Life Sciences 1%
- Physical Sciences 1%

Wages

Quarterly Census of Employment and Wages, Annual 2013

Total of public and private, non-farm payroll

- Cass County: \$4,844,687,884
- Clay County: \$638,758,863
- **Total:** **\$5,483,446,777**

Property Valuations



Cass County

- Commercial: \$4,847,075,500
- Residential: \$6,932,006,350
- Agricultural: \$1,025,501,800*
- Total: \$12,804,583,650

Clay County

- Commercial: \$544,713,900
- Residential: \$2,592,025,050
- Agricultural: \$2,549,804,594
- Other: \$363,698,556
- Total: \$6,050,242,100.

Grand Total: \$18,854,825,750

*Productivity value, not market value

Income & Sales Taxes

- Annual state personal income tax collections generated for the state by county
 - Cass County: \$67,326,332
 - Clay County: \$61,043,128
- Taxable Sales & Purchases
 - Cass County: \$3,125,583,081
 - Clay County: \$384,575,271

Geographic Location of Jobs



Total primary jobs in FM MSA: 110,946

- Jobs Held In Cass County: 94,418
- Jobs Held In Clay County: 16,528

A primary job is defined as the one job for each worker that provides the most earnings. By analyzing primary jobs, you are seeing "one job per worker," rather than all the jobs held by the workers in the region.

Where workers live who are employed in Cass County



- Cass County: 59,984 (63.5%)
- Clay County: 13,377 (14.2%)
- Total All Other Counties: 21,051 (22.3%)
- Other North Dakota Counties:
 - Richland: 1,872
 - Grand Forks: 1,785
 - Burleigh: 1,413
 - Ward: 1,139
 - Stutsman: 1,014
 - Barnes: 832
 - Sargent: 376
- Other Minnesota Counties:
 - Becker: 1,369
 - Otter Tail: 950
 - Polk: 686
 - Norman: 380
 - Wilkin: 153
 - Grant: 102

Where workers live who are employed in Cass County



Location	Total Labor Force (# of people residing in the location who are employed or seeking employment)*	Number of people residing in location that are employed in Cass County	Percentage of location's labor force employed in Cass County
Cass County	87,024	59,984	69%
-- Fargo	62,307	45,384	73%
-- West Fargo	14,841	12,134	82%
Clay County	34,039	13,377	39%
-- Moorhead	22,208	8,866	40%
-- Dilworth	1,917	955	49%

Sources: Research 360; Census Bureau Longitudinal Employer-Household Dynamics LED OnTheMap data tool; Job Service ND, MNDEED LAUS.

* 2011 Labor Force Data used to match with 2011 Census Geographic Data.

Where workers live who are employed in Clay County



- Clay County: 7,705 (46.6%)
- Cass County: 4,646 (28.1%)
- Total All Other Counties: 4,177 (25.3%)
- Other North Dakota Counties:
 - Richland: 156
 - Grand Forks: 60
 - Stustman: 44
 - Barnes: 37
 - Ransom: 32
 - Sargent: 27
- Other Minnesota Counties:
 - Becker: 615
 - Otter Tail: 400
 - Stearns: 192
 - Norman: 173
 - Wilkin: 165
 - Polk: 137

Where workers live who are employed in Clay County



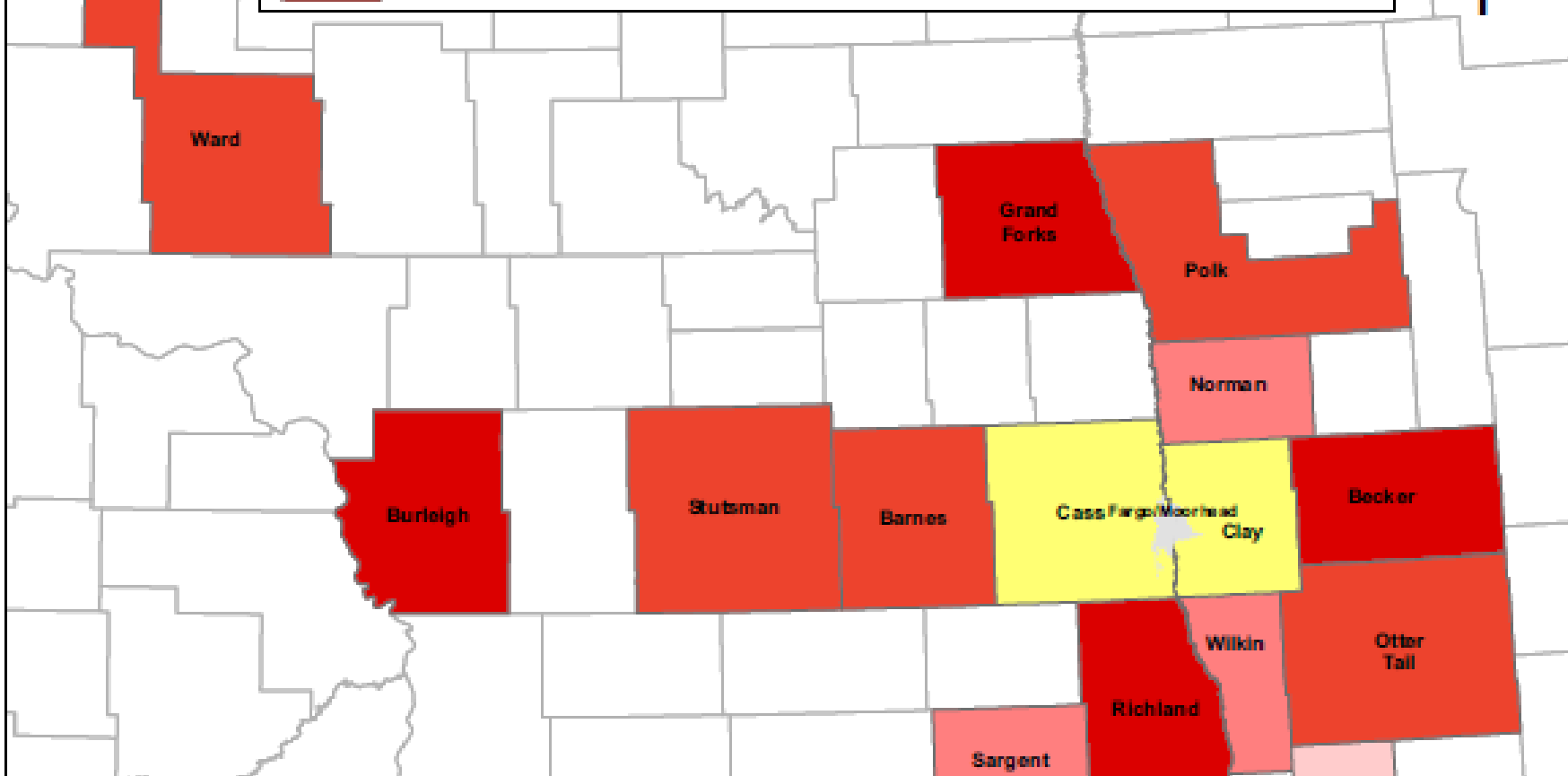
Location	Total Labor Force (# of people residing in the location who are employed or seeking employment)*	Number of people residing in location that are employed in Clay County	Percentage of location's labor force employed in Clay County
Cass County	87,024	4,646	5%
-- Fargo	62,307	3,501	5%
-- West Fargo	14,841	777	5%
Clay County	34,039	7,705	23%
-- Moorhead	22,208	4,770	21%
-- Dilworth	1,917	526	27%

Sources: Research 360; Census Bureau Longitudinal Employer-Household Dynamics LED OnTheMap data tool; Job Service ND, MNDEED LAUS.

* 2011 Labor Force Data used to match with 2011 Census Geographic Data.

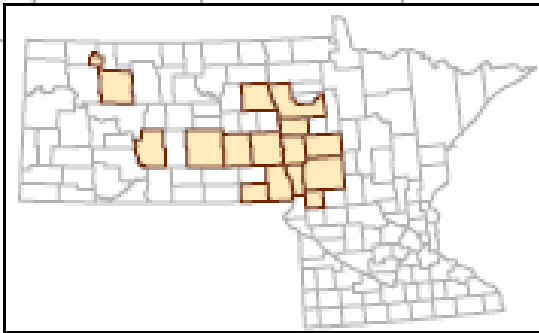


Cass/Clay Regional Employment Impact



Employed Persons in Cass or Clay County

- Cass/Clay County
- 1 - 300
- 301 - 600
- 601 - 1200
- 1201 - 1984



ND County	Employed	MI County	Employed
Barnes	809	Becker	1004
Burlingame	1,403	Grant	303
Grand Forks	1,845	Norman	303
Stutsman	1,872	Otter Tail	303
Sargent	409	Polk	303
Stutsman	1,098	Wilkin	303
Ward	1,139		
Wilkin	303		

DISCLAIMER: This map is made available as a public service. Maps and data are to be used for reference purposes only and Cass County, ND, is not responsible for any inaccuracies herein contained. This map may vary by measurement for damages or other liabilities due to the nature of availability and/or release of this information. Thank you for this.

Cass County ND
www.casscountynod.gov
Map: County 4 2010-2011

Oil-by-rail traffic through Cass County

- More than 40 BNSF trains, many containing over 3 million gallons of Bakken crude oil, move through Cass County each week.
- BNSF hauls approximately 75% of all oil that leaves North Dakota by train.
- U.S. Energy Information estimated 437,000 barrels (13.8 million gallons) of Bakken crude oil travels east of out North Dakota by rail each day.

U.S. Department of Transportation Emergency Order, Issued May 7, 2014 and received February 13, 2015 prepared by BNSF Railway Company of Fort Worth, TX.

North Dakota Department of Emergency Services Report received December 1, 2014 prepared by Canadian Pacific Railway Company of Calgary Alberta.

Economic Impact



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- Direct and indirect jobs created and their salaries
 - New residents to the city/county and new students in schools
 - Taxable spending expected in the city/county by workers
 - Number of new residential units to be built in city/county
 - Taxable value of residential property and business assets such as land, buildings and equipment
 - Economic Impacts → fiscal impacts for local taxing districts, states, federal government

Economic Impact

- **Indirect** revenues, jobs and salaries include businesses that may have supplied goods and services to the primary firm, such as equipment suppliers, construction companies, maintenance firms, etc.
- **Induced** revenues, jobs and salaries include companies that may have supplied goods and services to workers of the primary company, such as restaurants, retail stores, banks and service supported businesses.

Role of Primary Sector

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- 220+ total primary sector businesses in FM MSA
 - 90% in Cass County
 - 10% in Clay County
 - ~17,000 jobs
 - Export goods and services outside the region
 - Wealth creation
 - Direct, indirect and induced jobs
 - Retail, services, housing
 - Could be located anywhere
 - Supply chain

GFMEDC Survey of Primary Sector Businesses



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- Conducted after the 2009 flood
 - “If this region was devastated by severe flooding, do you anticipate your business would (circle all that apply):”
 - Move out of the county
 - Close down completely
 - Lose sales to foreign competitors
 - Lose production to foreign facilities

GFMEDC Survey of Primary Sector Businesses



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- Seven businesses responded yes to one or more options **and** were willing to share economic information:
 - 5 manufacturing
 - 1 life science
 - 1 back office
 - Estimated economic impact:
 - 3,727 direct and indirect jobs
 - \$180,306,366 total payroll per year
 - Annual revenues of \$1,250,121,054

Three Analyses:

1. Loss of a hypothetical primary sector business
2. Loss of business confidence resulting from frequent flooding in the FM MSA
3. Change in economic output in the FM MSA for the With-Project (diversion) alternatives

2010 Case Study

- Loss of a hypothetical manufacturing company
- Characteristics:
 - Annual Revenues: \$16,500,000
 - Number of Employees: 150
 - Average Annual Salary: \$38,000

2010 Case Study

- Estimated losses to the area over 20 years
 - Economic Output:
 - \$443,361,179 direct operations
 - \$141,343,544 indirect & induced
 - Total output lost = \$584,704,723
 - Jobs
 - 150 direct jobs
 - ~48 indirect and induced jobs
 - Salaries
 - \$153,161,135 direct payroll
 - \$34,920,739 indirect and induced payroll
 - Total payroll lost = \$188,081,873

2010 Case Study



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- Taxes
 - \$3,464,745 sales tax not collected
 - \$4,789,667 state personal income taxes not collected
 - \$3,275,745 state corporate income taxes not collected

 - Miscellaneous Revenues for State and Local Taxing Districts and the Federal Government
 - \$6,205,851

 - Total lost revenues for Minnesota and North Dakota
 - \$14,787,215