

Statement of Mayor Allen I. Orwick, Michigan, North Dakota

**Testimony before the Senate Budget Committee
Infrastructure Investment: Creating Jobs and Fueling Economic Growth**

Michigan, North Dakota Civic Center

November 12, 2009

I am Allen Orwick, Mayor of Michigan, North Dakota a small community of 345 people located in northeastern North Dakota. Our city is honored to host the Senate Budget Committee Hearing on Infrastructure Investment: Creating Jobs and Fueling Economic Growth being held here today, November 12, 2009. I hope that our City proves to be gracious host to all in attendance. I personally want to thank Senator Conrad for his invitation to testify before your committee today.

In 2008, Michigan, North Dakota celebrated its 125th anniversary; this event commemorated the accomplishments of our community and the individuals whom have called this special place home. When our founding fathers first established Michigan City in 1883, they could not have imagined the world in which we live. However, their sense of adventure, optimism and community spirit is still found here today. It is with this mindset that we work on a daily basis to make our community a better place for all to live and work. Just as these pioneers did more than a century ago, we face the challenges of developing and providing a strong economic community, transportation system and public infrastructure for our residents.

Michigan is fortunate to have access to both a major highway and rail line; these are significant assets to our community.

We are located on the Burlington Northern Santa Fe Railroad line which includes a transcontinental primary line reaching from Seattle to Chicago. This rail line provides an excellent source of transportation for goods and products being shipped to and from our local communities. Amtrak, North Dakota's only passenger rail service operates the Empire Builder from Chicago to Seattle and maintains seven North Dakota stations, the two closest being Grand Forks, North Dakota and Devils Lake, North Dakota. Hopefully someday we will see a "Fast Train" system in our Country providing a quick and affordable transportation alternative to automobile and airplane transportation. This would be an excellent way to save energy and take stress off our current systems.

Our location on US Highway 2, a major four lane highway, allows those who do not live in our City to utilize our retail, manufacturing, and service industries. All these sectors rely heavily on a strong transportation system to survive. We have one of North Dakota's largest John Deere implement dealers located in Michigan. The owner feels that without US Highway 2, his business would have a reduction in annual sales in excess of one-third.

As North Dakotans, we need to drive great distances for employment opportunities, medical services, retail shopping, personal and professional services and entertainment. Our local

education system, the Dakota Prairie School District, includes a majority of Nelson County. The grade school is located in McVille, North Dakota and the junior and senior high school is located in Petersburg, North Dakota. These communities are twenty-eight miles apart and are considered central locations within the district. Almost every student is transported somewhere daily during the school year. Maintaining our highway system is crucial not only Michigan's survival, but our entire State and Country. We cannot afford to neglect the roads on which our children and residents travel, sometimes in extreme weather conditions. Currently a section of Highway 2 between Michigan and Lakota is in desperate need of repair, hopefully this will be addressed shortly.

Within the City of Michigan, we have spent approximately \$80,000 to repair curbs, gutters and streets over the past eighteen months. We were fortunate to receive approximately \$11,000 of Economic Stimulus Funding to help offset this expense. Even with that aid, we have depleted our Street Fund and are not sure how we are going to address upcoming repair needs. As we look to the future, our City does not see how it will be able to maintain our current street system without funding from Federal and State agencies.

Michigan is currently in the process of a sewer and lagoon repair project that we hope to have completed in 2010. The estimated cost of this project is 1.3 million dollars. We have been notified that we will receive Economic Stimulus Funding for about fifty percent of the project. This funding will be a great benefit to our residents allowing the City to reduce the cost assessed to our citizens to a more affordable level.

The biggest threat to our City's infrastructure and the community as a whole at this time is the continual rise of Lake Larreta. Our runoff water enters this body of water through a drainage system. The lake is at historic levels and if it continues to rise, the water will move back towards the City causing flooding, loss of property and City infrastructure including but not limited to our sewer system. We are currently working with the Nelson County Water Resource District to provide for a long term solution to this problem.

As far as our local economy, we have seen both ups and downs over the past couple of years. Our economy is very dependent upon the agricultural sector but as we diversify the national economy becomes more important to our businesses.

The agricultural economy has been very strong with good crops and high prices the past couple of years. However, with the current commodity prices, it looks as though that may be changing. This strength has proved beneficial to businesses that provide services and products for agricultural production. Our local implement dealer reports that these good years have resulted in increased sales and growth, allowing him to expand his workforce by up four positions.

In contrast, when our school closed several years ago we were successful in bringing a wiring harness manufacturing company into to our vacated school building. This facility was readied for them with the help of Federal funding. At their peak, the Fargo Assembly Company was running two shifts and employing up to one hundred full or part-time individuals. With the recent downturn in the national economy and increased competition as a result of this downturn,

they have had to reduce their workforce to twenty-five employees that are being limited to sixteen hours per week.

A recent addition to our business community is Heritage Arts Gallery and Gifts. This cooperative of local artists is located on the frontage road off of Highway 2. They have seen a decline in business as the national economy has slowed. They market their products to tourists throughout North Dakota but find that their location on US Highway 2 is their lifeline. However, restrictions placed on signage along the highway create a real roadblock in marketing their retail store to those same tourists traveling that lifeline. The owners feel that the tourism industry needs the support of State and Federal funds to allow for the establishment of new businesses and growth of those currently in operation. Not only do these funds need to be made available, but the businesses need help in accessing and utilizing programs established for this purpose.

Our most recent success story was the re-opening of our grocery store. In May of 2008, for the first time in our history, Michigan was without a grocery store. The community took on this project with our local Job Development Authority raising \$89,110 locally through public and private donations. In addition, we were successful in applying for and receiving a \$70,000 USDA RBEG grant. The Michigan JDA purchased the building and equipment from the previous owner, replaced and upgraded equipment, improved the facilities, including making the store handicapped accessible. The JDA now provides this store building and equipment rent free to our new grocery store owner. From October of 2008 to October 31, 2009 a regional grocer ran the store until a local owner could be found. That local owner took over on November 2, 2009 and is celebrating her Grand Opening on November 14, 2009. This would not have been possible without the financial help of Federal funds.

In closing, I feel that it is very important that we continue to invest in both economic development and infrastructure as they both improve the quality of life of our residents. The investment we make today will yield dividends now and well into the future. North Dakota is fortunate to have a strong economy in comparison to many parts of our Country. Now is the time to bring that to the next level so that our children and grandchildren will have an opportunity to once again call North Dakota home.