

MAYOR'S ECONOMIC RESPONSE ADVISORY GROUP

Grand Forks has a history of resilience in the face of economic hardships as well as natural disasters. But unlike the 1997 flood, Covid-19 is a disaster that persists over time and is global in scope and scale. It will continue, and its effects will continue to evolve and be revealed, over an uncertain timeline that will extend 12-24 months at minimum. In response, Mayor Michael Brown convened a series of informal meetings with the following local leaders to discuss this:

Karl Bollingberg, Alerus Financial
Phil Gisi, Edgewood Healthcare
Kristi Hall-Jiran, Altru Health System
Keith Lund, GFREDC
Chris Nelson, UND Graduate School

Dana Sande, City Council Pres., UND Aerospace Fndn
Ken Vein, City Council Vice President
Bret Weber, JDA Chairman, UND
Barry Wilfahrt, Chamber of GF/EGF

After meeting several times in April and May 2020, Mayor Brown has now formalized this as the "Mayor's Economic Response Advisory Group" with the purpose of advising him on issues related to Grand Forks' response to and economic recovery from the Covid-19 pandemic. The group has no City authority but will review data, weigh options, and provide collaborative insight to Grand Forks decision-makers as they navigate the pandemic and recovery from it. Recognizing that *the health of our citizens and the success of our businesses are intertwined as one issue*, the work of this group will operate within three interdependent domains:

City Government

Public Health

Regional Economy

The group contains knowledgeable, committed community leaders who understand and can speak to/for a wide array Grand Forks' business sectors and their needs: financial services, retail, health care, manufacturing, education, development, government, for-profit and non-profit, public sector and private. This pool of knowledge represents major regional employers, provides a well-informed incubator of ideas, functions as a balanced sounding board to evaluate opposing/competing viewpoints, and reflects a wide array of community perspectives. And since flexibility is key in responding to a rapidly changing environment, membership may be fluid over time. Staff support will be provided by City Administrator, Community Development and Public Health Departments.

Assumptions guiding the Mayor's Economic Response Advisory Group are outlined on the following pages. The group will actively plan for and respond to anticipated events and situations via a framework that

- Provides reliable regional input and datasets for public health, business (employment, supply chain, customer response) and consumer confidence metrics
- Develops and deploys adaptable local survey instruments (with evolving content at appropriate intervals) to populate some of those datasets
- Produces a dashboard using these datasets and regularly monitors it to
 - analyze emerging trends and issues
 - identify opportunities/threats
 - make recommendations for actions based on the above

This advisory group will not only inform a local response, but can support and influence decisions regarding funding, policy development and program deployment at the regional, state and federal level. As we have heard from our partners on Team ND, Grand Forks continues to lead North Dakota cities in its collaborative efforts to address Covid-19.

Planning the Way Forward and the Economic Response Advisory Group's Role

Advisory group's purpose: To inform the City of Grand Forks' response to and economic recovery from the Covid-19 pandemic. This group of advisors will review data, weigh options, and provide their collaborative insight to Grand Forks decision-makers.

This advisory group's work and the City's response plan is guided by three interdependent domains:

1. City Government role and action
2. Public Health
3. Economic Impact

Some have called for a balance between public health and economic sustainability. This is a false choice. **The health of our citizens and the success of our businesses are intertwined as one issue.** The economy will rebound only when residents feel safe.



Current Assumptions Guiding our Response

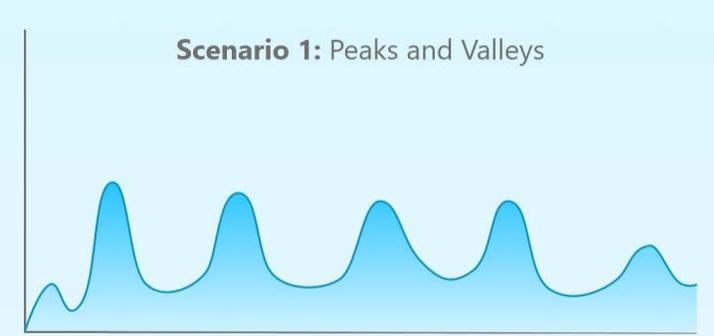
- **The Covid-19 disaster is different than typical disasters.** Much of the impact is unseen and less tangible to most citizens. Instead of responding to an acute event, the impact and required adaptation will likely extend many months. The full impact is extremely uncertain at this time.
- **The psychology of this situation is different from typical disasters.** Similar to the Y2K situation 20 years ago, citizens and decision-makers can't know for certain what might have happened if we had done nothing. This may enhance the need for effective information-gathering and public communication.
- **Infection offers some degree of immunity.** At this time immunity cannot be assured, but early research is promising.
- **The risks of allowing unabated infection are too high.** The first wave of infection has signaled that hospitalization rates are lower than originally projected. Local health care providers are currently in a good position to respond; however, known examples of health care systems overwhelmed in New York and Lombardy should be noted. Estimates of infection fatality rates (IFR) of .5-1.0% are largely on target. This is based upon current knowledge of case fatality rates (CFR), early seroprevalence surveys, and emerging data on "excess deaths"¹.
- **Early research for a vaccine is promising but not assured.** If development is successful, vaccine deployment will take 12-24 months, including significant time for production and deployment.
- **This is a 12-24 month problem at a minimum.** Current estimates indicate that 5-15% of the population may be infected, and the typical infected person will infect 2-2.5 other people. Assuming this, about 60-70% of people will need to become infected in order to achieve herd immunity. If infection occurs too rapidly, there is danger of "overshoot," occurring when the infection momentum continues after the 60% required for herd immunity occurs².
- **Economic impact is very significant and complete lockdown is not economically or socially sustainable.** Supporting data include direct feedback from business, regional surveys of employers, unemployment claim data, and local tracking of customer visits using Buxton anonymous GPS data. The economic impact of this crisis is likely to exacerbate public health impacts and accelerate socio-economic impacts, stressing social services agencies.
- **Policy- and decision-making to balance public safety with economic impact is likely to fall increasingly upon local governments. We must be prepared to act.** Trade flows and labor markets are regional. Personal travel – and disease spread – happens region-to-region. Different regions will have different risk factors for disease complications and deaths due to regionally-specific population dynamics. At the same time, policymaking has

shifted from federal to state governments and is likely to continue to shift to local governments as impacts vary by region.

Projecting the Pandemic Trajectory: How Do We Know What to Prepare For?

The Center for Infectious Disease Research and Policy (CIDRAP) recently released three possible pandemic scenarios to help planners envision situations they will be facing in the next few months³. The scenarios are based upon what is currently known of Covid-19 and historical experiences with viral pandemics.

Possible Pandemic Wave Scenarios: CIDRAP "The future of the Covid-19 pandemic: lessons learned from pandemic influenza"

<p>Scenario 1: Peaks and Valleys</p>	<p>The first wave of Covid-19 in spring 2020 is followed by a series of repetitive smaller waves that occur through the summer and then consistently over a 1- to 2-year period, gradually diminishing sometime in 2021.</p>	 <p>Scenario 1: Peaks and Valleys</p>
<p>Scenario 2: Fall Peak</p>	<p>The first wave of Covid-19 in spring 2020 is followed by a larger wave in the fall or winter of 2020 and one or more smaller subsequent waves in 2021.</p>	 <p>Scenario 2: Fall Peak</p>
<p>Scenario 3: Slow Burn</p>	<p>The first wave of Covid-19 in spring 2020 is followed by a "slow burn" of ongoing transmission and case occurrence, but without a clear wave pattern.</p>	 <p>Scenario 3: Slow Burn</p>

CIDRAP notes: "Whichever scenario the pandemic follows (assuming at least some level of ongoing mitigation measures), we must be prepared for at least another 18 to 24 months of significant Covid-19 activity, with hot spots popping up periodically in diverse geographic areas."

Even though the most optimistic pattern (Scenario 3) has not been seen with past pandemics, it remains a possibility. However, local leaders should be prepared for the worst-case Scenario 2 in case it occurs.

A Framework for Local Action

There are several potential areas of action for the City of Grand Forks over the next few months, following the three intersecting policy domains: 1) City Government role and action, 2) public health, and 3) economic impact.

Public Health

Issues

1. Testing – including serology testing – to create data for public policy decision making
2. Adequate contact-tracing infrastructure
3. Develop public health criteria for implementing levels of physical distancing, restrictions on large gatherings, or other mitigation measures

Potential Actions

1. Develop “go-to” data sources to support policy decisions
2. Assess supply chain for testing supplies, personnel to perform tests, and data tracking and sharing
3. Assess personnel infrastructure for contact tracing and augment as needed

City Government Operations

Issues

1. Return-to-work plan
2. Diminished revenues coupled with new costs emerging
3. State-level funding streams to Grand Forks stand to be interrupted

Potential Actions

1. Develop phased plan to operate city business at the department level
2. Assess financial impacts to City revenues and costs
3. Convene and continue the work of “Team Grand Forks” to communicate local funding needs to federal and state governments

Health Care

Issues

1. Adequate care capacity for worst-case infection scenario
2. Adequate personal protective equipment for health care workers
3. Economic impact of health care system revenue loss
4. Heightened vulnerability of populations in assisted living facilities
5. Health care capability is now a critical element of business climate

Potential Actions

1. Coordinate with local health care providers and assist with city resources where appropriate
2. Cooperate to share information about health care capacity and the importance of maintaining full health care employment to fuel economic recovery
3. Work to support continued construction of new hospital

Information and Communication

Issues

1. Information and data to support decision-making is lacking during this uncertainty
2. A rapidly changing policy environment requires clear, robust public communication methods
3. Tensions between human and economic health along with varying information sources must be managed
4. Efforts of multiple response agencies and organizations must be coordinated
5. Widespread wearing of masks by the public could reduce the local virus transmission rate

Potential Actions

1. Conduct surveys of businesses or citizens to create more data for decisions
2. Interview or hold targeted focus groups of businesses and citizens to enhance perspectives or evaluate decisions
3. Centralize and share data dashboards and other information
4. Increase messaging about the length and projected impacts of this pandemic
5. Leverage existing communications channels, including City PIC, Public Health, GF Chamber, and GFREDC
6. Coordinate efforts among key agencies and support organizations for businesses and citizens
7. Communicate the message that it is safe to return to health care providers for regular appointments
8. Support private sector with communications to promote mask wearing

Education and Workforce

Issues

1. Displaced workers need efficiently-delivered short-term economic support
2. School closures create child care impacts for workforce
3. The level of in-person education at UND has significant economic implications for Grand Forks
4. Displaced workers will need retraining to new occupations in the mid- and long-term

Potential Actions

1. Coordinate decisions and share information with GFPS and UND
2. Continually assess impacts on workers and workforce supply
3. Develop new education programs to backfill gaps in the career ladder
4. Partner with UND to provide work opportunities for UND students in public health and communications

Impact on Hospitality, Retail, and Events Organizations

Issues

1. Short-term impact to these sectors is acute
2. Needed new business practices to protect public health will be significant and vary across business types
3. Businesses that depend on tips for worker pay face a unique tension between diminished operations and diminished tips
4. Events are a significant driver of business activity in the Grand Forks market

Potential Actions

1. Continue to use Buxton GPS data to assess impacts of customer visitation
2. Continue to assess and adapt local regulation to allow new business models for hospitality and retail
3. Develop support systems and educational programming to help individual firms adapt to new ways of doing business
4. Coordinate efforts of major event promoters and venues and develop new protocols for operation following state guidelines
5. Inventory federal and state programs to assist businesses. Assess the need to use local economic development programs and funding to augment gaps.

Impact on Primary Sector Economy

Issues

1. Pandemic creates new workforce challenges for large manufacturing facilities
2. Supply chains may be interrupted
3. Professional services and technology businesses may face 2nd or 3rd wave negative economic impacts as clients reduce spending
4. Reshoring and decentralization of supply chains could present new opportunities for manufacturing (particularly food, medical, and other essential products)
5. Normalization of tele-work could create worker opportunities in knowledge-based occupations in smaller cities

Potential Actions

1. Work to build capacity for broad-based, frequent testing programs for workers and citizens
2. Inventory federal and state programs to assist businesses. Assess the need to use local economic development programs and funding to augment gaps
3. Continue robust communication of available assistance programs
4. Continue to meet directly with local primary-sector firms to support their economic sustainability and future growth

Impact on Housing, Real Estate and Construction

Issues

1. Housing supply and costs were a pre-pandemic concern in Grand Forks. The pandemic presents new restrictions on home sales transactions.
2. Possible restructuring of hospitality, retail, and professional office industries could have significant commercial real estate implications
3. Grand Forks is in the midst of a “billion dollar boom” that may be impacted by the health and economic crisis

Potential Actions

1. Develop a current home sales transactions dashboard using current city assessment data
2. Facilitate communication between renters and landlords to understand impacts on both groups
3. Assess Covid-19 impacts on current city construction projects in the pipeline and develop criteria to continue projects based upon need, fiscal responsibility, health impacts, and economic impacts
4. Assess and adapt local land use regulations and planning to comply with “new reality” (could be element of upcoming land use planning process)
5. Inventory current city development incentive programs. Adapt or create new programs to help sustain development, fill gaps, and maximize new local opportunities.
6. Continue promotional efforts to attract residents exploring relocation to escape large metropolitan areas

Social Impacts

Issues

1. Pandemic is creating severe economic hardships for many families
2. Employment separation could jeopardize health care for vulnerable populations
3. Funding for critical social services providers is at risk for interruption
4. While ND Supreme Court temporarily suspended eviction hearings, rent is still owed and the community could face a “backlog” of evictions in the coming months. Homelessness could increase.

Potential Actions

1. Inventory and assess support systems for individuals and families
2. Communicate with and coordinate efforts to support social service providers as needed
3. Monitor the stream of evictions to understand the risk of increased homelessness
4. Assess current funding streams for critical social service agencies

¹ <https://www.washingtonpost.com/investigations/2020/04/27/covid-19-death-toll-undercounted/?arc404=true>;
<https://www.ft.com/coronavirus-latest>; <https://www.nytimes.com/interactive/2020/04/28/us/coronavirus-death-toll-total.html>;
<https://www.economist.com/graphic-detail/2020/04/16/tracking-covid-19-excess-deaths-across-countries>

² <https://www.nytimes.com/2020/05/01/opinion/sunday/coronavirus-herd-immunity.html>

³ https://www.cidrap.umn.edu/sites/default/files/public/downloads/cidrap-covid19-viewpoint-part1_0.pdf