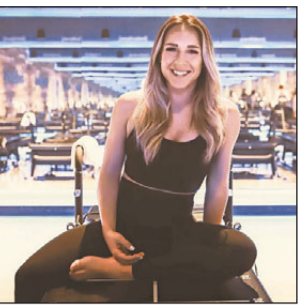


Soaring lumber prices concern Grand Forks' lumberyards, but construction is full-steam ahead



Submitted
Brooke Riendeau, studio manager at [solidcore], in Grand Forks.

[solidcore] and a guilty pleasure

5 Questions with Brooke Riendeau

By Adam Kurtz
Grand Forks Herald

For 5 Questions this week, the Herald speaks to Brooke Riendeau, manager of [solidcore], a Pilates studio in Grand Forks, at 801 S. 42nd St.

Q: Please tell us how you got into teaching this kind of Pilates.

A: I had read a lot about how effective Pilates is and how easy it is on your joints. Then when [solidcore] opened their first studio in Grand Forks, I just saw that as a great opportunity to infiltrate myself into the fitness industry. I have my degree in public health, education, and nutrition, so getting into the fitness world just seemed like the right choice.

Q: The website says, "a Pilates workout unlike any you have done before." What's it like?

A: The solid core workout is incredibly intense and challenging. However, it's doable for everyone, there's modifications, amplifications for every single move so the workout is accessible to almost anyone. And it's ever changing, no class is ever going to be the same. The main difference with it is everything we do on the machine is extremely slow, so it's slow, controlled movements that literally cause your muscles to fail. You push yourself until the point where you're going to fall flat on your face, but you don't. For the Grand Forks studio right now, everyone who's never taken a class before, your first class is free. We're not sure how long that's going to last, we've never done it before.

Q: Is [solidcore] a chain of studios?

A: Yeah. Actually there are right now 72 [solidcore] studios, the first studio started in Washington, D.C. Our founder and CEO is actually from Bismarck, and that's why she wanted to bring [solidcore] to North Dakota.

Q: The studio is involved with charitable donations, tell us about that.

A: They have a team at headquarters that really focuses on what's going on right now, like culturally and globally, and then tries to pick a few different organizations to donate to. Every studio will host a certain amount of classes, and all those proceeds will go somewhere, or what they will do is hold an entire company challenge. So if clients take more classes a percentage of their memberships will go towards these certain businesses and organizations.

Q: You have to be in great health. Do you have a guilty pleasure?

A: Oh absolutely. I'm going to say my guilty pleasure is definitely pizza and chips. I really love Doritos.

By Adam Kurtz
Grand Forks Herald

The price of lumber has skyrocketed during the pandemic, but low interest rates are keeping contractors and do-it-

“There’s just such a combination of things that has led to a perfect storm.”

TRENT PEABODY, president of Lumber Mart Inc.

construction – coupled with a supply crunch, that has caused lead times to dramatically increase, for a variety of products. Mills have been working to operate at capacity, but some were shut down periodically during the pandemic, and now they are playing catch-up. And the demand for remodeling projects hasn't gone away, as home-bound workers stare at their walls or decks and consider upgrades.

“We’ve been seeing just astronomical price increases, and continue to see those price increases on a daily basis, if not even sometimes on an hourly basis,” said Trent Peabody, president of Lumber Mart Inc. “We’re in uncharted territory when it comes to the historic levels that we’re seeing now.”

According to the National Association of Home Builders, the price of lumber has tripled since April 2020. This adds an estimated \$35,000 to the price of a single-family home. Framing lumber is being sold at around \$1,200 per thousand board feet, up 250% since last April, when that amount was selling at about \$350. But Peabody said that estimate doesn't take into account other products needed to finish a home, products that are also becoming scarce and likely are sending the price of a new home even higher.

“The reality is that’s just on the material side of things,” Peabody said. “Try to finish these homes out. The number is actually greater than that.”

Structural panels, like

yourselfers busy at a time when suppliers are scrambling to keep building materials in stock.

It’s a situation caused by high demand – the demand for residential housing and other



Photos by Nick Nelson / Grand Forks Herald
Trent Peabody is president of Lumber Mart, Inc., which has locations on both sides of the Red River in Grand Forks and East Grand Forks.



Shawn Metzgen and Jose Trevino (left rear) nail together a truss at Lumber Mart, Inc., in East Grand Forks, Minn. on April 27.

oriented strand board, have seen prices jump, giving some customers sticker shock. OSB is selling at over \$40 a panel when it sold for \$7 a few years ago. Peabody calls his stock of OSB “piles of gold,” because of the price. And much of what he has on hand at his East Grand Forks location has already been sold for ongoing projects.

Price jumps haven't been limited to lumber. Various resins, used in products from paint to PVC pipe fittings, are spiking after a February deep freeze hit Texas and other southern states, where those products are manufactured. They're just now getting back up and running, Peabody said. The difficulty in securing supplies also extends to shingles. Shingle

manufacturers, who use petroleum for their products, are limiting the number of colors they are producing to only the most popular.

Peabody likened the situation to Henry Ford's famous saying of his Model-T cars, that “you can have it any color you want, as long as it's black.” Lumber Mart has sourced pallet after pallet of shingles, something they would never have needed to do two construction seasons ago. It's part of trying to stay ahead, and meet the local demand.

High cost-high demand

Steve Mundahl, general manager and vice president of Bergstrom Electric, said people are looking to reduce the budget and scope of their projects. However, by the

time they get redesigned and sent out for bidding, the price of material has increased, and they are ending up with a slimmed-down project that comes with the original price tag.

“You aren't getting your money's worth, in other words,” Mundahl said.

Despite the cost of materials, new developments are popping up around Grand Forks. Through March, building permits have been issued for 11 new houses and 12 townhouses, and more were issued in April. A city report notes this is the highest number of new home starts for the first quarter, compared to the last five years, when the average was seven.

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Grand Forks/East Grand Forks Chamber's Shark Tank event brings fun, ideas and prizes

By Adam Kurtz
Grand Forks Herald

After having taken a hiatus in 2020 because of the pandemic, the East Grand Forks/Grand Forks Chamber hosted its annual Shark Tank event at the Empire Arts Center, on Wednesday, May 5.

The evening brought out a group of people who were brave enough to give a fast pitch to a panel of four local “sharks,” long-time business owners in the community, who followed up with questions and feedback. For Barry Wilfahrt, the Chamber's president, it's the continuation of a fun idea meant to encourage people to start their own businesses, that dates back to 2015.

“It's really about innovation and entrepreneurship,” Wilfahrt said. “It's really to encourage people to think of new products, new ways of



Submitted photo
From left: Matt Winjum, Kay Derry, Rachel Gornowicz and Tommy Kenville, pose with Michael Fridolfs (center), at the Chamber's 2021 Shark Tank event on May 5.

doing things.”

The program got off the ground six years ago, when Wilfahrt was watching Shark Tank on TV with his wife Kristi, who thought of holding a local version of

the event. Wilfahrt took the idea to the Chamber, and has been an annual event ever since.

“We were watching the show one time and she said ‘you know you guys are always pro-

moting starting new businesses and entrepreneurship and innovation. Why doesn't the Chamber hold the Shark Tank, that'd be kind of fun,’” Wilfahrt said.

The show, which

debuted in 2009, pits entrepreneurs against a panel of billionaire investors, with whom they seek to make a deal. In Grand Forks, contestants, many of them beyond the idea phase with early stage startup businesses, don't make deals with the sharks. They simply pitch their idea, answer a few questions and get some honest feedback.

More than 60 people attended Wednesday's event to watch 10 entrepreneurs walk on stage, under a spotlight and to the same cheesy walk-up music from the television program. Contestants pitched ideas ranging from an audit service of maintenance records for private aircraft, to an open late daycare for parents working late shifts to a girls hassle-free vacation service.

SHARK TANK: Page A6

Biden admin still undecided on Minn. copper mine project, Vilsack says

By Andrea Shalal and Ernest Scheyder
Reuters

WASHINGTON — U.S. Agriculture Secretary Tom Vilsack said on Wednesday, May 5, that the White House has not decided on the fate of the Twin Metals copper mining project in Minnesota, as it works to balance economic growth and strong opposition from environmentalists.

Vilsack's comments were among the first from a senior official in President Joe Biden's administration on the proposed underground mine, which environmentalists fear would permanently mar the Boundary Waters Canoe Area Wilderness on the U.S.-Canada border.

Twin Metals and its supporters, including several Minnesota labor unions, have said the project can be constructed safely and in a way that boosts the region's economy.

The Biden administration is "trying to find the balance between preserving a pristine area, and at the same time look-

ing for ways in which job growth, economic growth can take place in rural areas. And that's what we're going to attempt to do. There are no final decisions being made on this," Vilsack told reporters in a White House briefing.

The mine would, if built, be a major supplier of copper to the United States as Biden aims to build more electric vehicles, which use twice as much of the red metal as those with internal combustion engines.

Representatives for Twin Metals, which is controlled by Chile's Antofagasta Plc, said the company expects the regulatory review process "to remain fair and based on science and law in the years ahead."

Friends of the Boundary Waters Wilderness, an environmental group opposed to the project, said in response to Vilsack's comments that mining in the region would be "much more of a soggy Band-Aid than any kind of real fix for the area's economy."

Former U.S. President Barack Obama's administration had

started a two-year process that would have banned copper mining in the Boundary Waters region for 20 years. But his successor, Donald Trump, put that process on hold, effectively letting mine planning continue.

Some of Twin Metals' leases for the land also expired under Obama, though Trump reissued them.

Environmentalists had been expecting the Agriculture Department, which oversees the U.S. Forest Service, the agency that controls federal lands in the region, to restart the review process for the 20-year ban and also pull the land leases.

Representative Betty McCollum, a Minnesota Democrat, introduced a bill last month that would ban mining in the region. Biden only has the power to block mining for 20 years in the region, though Congress can permanently block it.

In March, Vilsack moved to temporarily block another controversial copper mine, Rio Tinto Plc's Resolution Copper project in Arizona.

SHARK TANK

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This year's panel of sharks included Matt Winjum, co-owner of Rhombus Pizza and Brewery; Kay Derry, owner of Northern Roots Boutique; Tommy Kenville, owner of iSight RPV Services and T-Global, Inc. and Rachel Gornowicz, owner of Countrywide Sanitation.

The short presentations mostly consisted of people walking across the main stage of the Empire Arts Center and delivering their pitch, but one presenter, Michael Fridolfs, site director for Northrop Grumman near Grand Forks Air Force Base, took an approach one might find on the TV show.

Fridolfs and his wife, both wearing winter boots, walked across the stage in winter parkas with their hoods up. They couple were pitching a large idea, that of building an indoor Caribbean-style adventure park. The Fridolfs relocated to Grand Forks from San Diego, and Michael Fridolfs commented that it "gets a little cold here."

Shortly into their presentation, Fridolfs said "Why wear this all year round, when you can wear this all year round?" and they

threw their coats to the ground to reveal summer-style clothing.

Fridolfs said his idea was for a large-scale installation, nearly as large as the Alerus Center, and the panel of sharks advised him to seek out a casino or hotel to partner with. Winjum urged him to look into Columbia Mall as a possible location.

"Just make sure there's tequila and Tiki huts," said Gornowicz.

Taking first place that night and \$750 in prize money and a nine-month membership to the 701 Co-working space downtown, was Brenden Swanson of Fenworks, an e-sports company. Swanson started the company with Robert Whiting. The company is looking to offer their services as an elective course for middle and high school students. The company has already made some partnerships with Minnesota schools.

In second place was Logan Rainey, with the company JetCheck, the audit business to ensure privately-owned aircraft receive regular maintenance. Rainey received \$500 in prize money, and a six-month membership.

Coming in third was Michael Fridolfs, with his family-oriented Caribbean-style theme park. Fridolfs received \$250, and a six-month membership.



Nick Nelson / Grand Forks Herald

Trent Peabody, president of Lumber Mart, Inc., talks about the rising cost of building materials such as lumber products while walking through the East Grand Forks facility on April 27.

LUMBER

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The same goes for sales of existing homes, said John Colter, with the Grand Forks Association of Realtors. In March this year, 130 homes were sold in realtors' regional service area, including 79 in Grand Forks. To Colter, there's no question that low interest rates are driving all the buying,

and he believes the market will stay active for some time.

"I just don't see the market slowing down right now," Colter said. "I think it's going to be hot throughout the summer and maybe into the fall."

What to do?

NAHB, in an April 28 release, said its team is working to address the soaring cost of lumber, by lobbying Congress and mill

operators to increase production. They mills, the organization says, were caught off guard by the surging demand, after they had reduced production due to stay-at-home orders in some states. Tariffs on Canadian lumber coming into the country are another issue, and the group is asking lawmakers to take action to remedy the issue.

For his part, Peabody said he is writing a letter to contractors his company supplies, explaining what lumberyards are seeing in the markets, and what could possibly correct the problem. And it could be any number of issues: interest rates need to rise to the point where building slows down, or supplies of structural panels dry up to the point where building has to stop.

"There's just such a combination of things that has led to a perfect storm," Peabody said.

And then there's the pandemic. Peabody said a cabinet maker that supplies his company had a complete shut down, which added another month to already lengthy lead times. Transportation has also been a problem. Some trucking companies hired by mills refuse to deliver to areas with higher rates of COVID-19, including a company that would come to Grand Forks, but not East Grand Forks. Peabody said staff took the shipment over in Lumber Mart's trucks. It's the "perfect storm" that is keeping

prices high, without a clear picture of when things will change.

"It's amazing," Peabody said. "I've been doing this a long time and my jaw just kind of drops when I look at the new numbers, and what we've got to sell things for. I just shake my head."




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