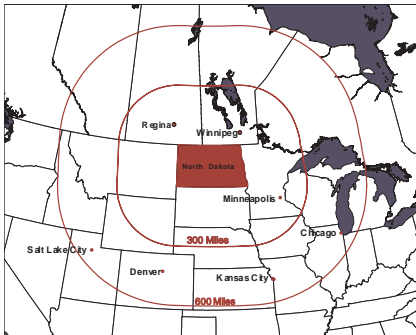


North Dakota delivers growth & prosperity

state facts



Demographics

Population
North Dakota (2000 census) 642,200

MSAs:

Fargo-Moorhead	174,367
Grand Forks-	97,478
East Grand Forks	
Bismarck-Mandan	94,719

Employment Profile (2004 Annual Avg.)

Manufacturing	24,550
Information	7,650
Professional & Business Services	24,050
Financial Activities	18,600
Utilities	3,350
Mining & Natural Resources	3,550
Construction	17,150
Wholesale Trade	18,250
Retail Trade	41,250
Transportation & Warehousing	9,750
Educational Services	3,400
Health Care & Social Assistance	45,150
Leisure and Hospitality	30,750
Other Services	15,100
Public Services	74,550
Total Nonfarm Employment	337,150

Strategic Incentives

Property Tax Exemptions

- Up to 5-year property tax exemption
 - Additional 5 years available for agricultural processors or a project located in property leased from a governmental entity
 - May negotiate a fixed or graduated rate over 20 years in lieu of property taxes
 - No personal property, which includes equipment inventory, materials in process, and accounts receivable

Corporate Tax Exemptions

- Five-year corporate income tax
 - Wage & Salary and Research credits available

Sales Tax Exemptions

- Sales and use tax exemptions on manufacturing equipment, water, electricity, interstate communications, and computer and telecommunications equipment for technology-based businesses

Financial Incentives

- North Dakota Development Fund – gap financing loan and equity program
- PACE program – interest buy down program at Bank of North Dakota
- Match Program – some of the lowest interest rates in the nation for “A” rated companies

Job Training Programs

- One-stop job training assistance – both state and federal programs available for businesses
- Workforce 2000 – state-funded program for training new technologies and processes
- North Dakota New Jobs Training Program – “no cost” program utilizing employee withholding tax

Workers Compensation

- Lowest workers compensation premium rates in the nation

Infrastructure Accessibility

Transportation

- Two major Interstates: I-94 East/West, I-29 North/South
- Two Canada-Mexico Trade Corridors
 - Fourth largest port of entry for Canadian goods by truck and rail
 - 24-hour ports of entry along the North Dakota-Canadian Border
 - Extensive Cargo Rail by Burlington Northern Santa Fe and Canadian Pacific
 - BNSF – main line route including Seattle to Chicago
 - CP – main line route including Vancouver to Chicago
 - Four International airports (Bismarck, Fargo, Grand Forks and Minot)
 - Four additional commercial airports (Devils Lake, Dickinson, Jamestown and Williston)

Voice/Data

- Two OC-48 Sonet Rings provide strong redundancy
- Extensive fiber Optic network – ISDN, ATM, xDSL, T1 T3, frame relay, SONET, satellite, cable and wireless service

Competitive Business Costs

Power

- Power offered at rates well below national average
- State exports nearly 70% of electricity produced



Success Stories

Microsoft Business Solutions

www.microsoft.com/BusinessSolutions

900+ employees and division HQ in Fargo

- North Dakota-grown Great Plains Software acquired for \$1.1 billion in April 2001

Bobcat

www.bobcat.com

World Headquarters in West Fargo, facilities in Gwinner and Bismarck – 2,685 employed

- Over 40% world market share of skid-steer loaders
- Over 30% U.S. and European market share of compact excavators

Imation

www.imation.com

Nearly 650 employees in Wahpeton

- Industry Week “10 Best Manufacturing Plants in North America” 2000

ING

www.ing.com

More than 760 employees at Customer Service Operations Center in Minot

Alien Technology

www.alientechnology.com

Leading producer of Radio Frequency Identification (RFID) products

Research and manufacturing to begin in Fargo in 2005 with 300 jobs by 2006 and employment projections as high as 1,100 by 2010.

Began relationship with North Dakota State University Center for Nanoscale Science and Engineering in 2000



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Competitive Business Costs (cont.)

Real Estate/Facilities

(weighted averages for Fargo, ND, according to 2005 SIOR Comparative Statistics)

- Rent/lease
 - \$13.00-\$18.00/sf to rent quality office space
 - \$3.55-\$5.00/sf to rent industrial space
- Construction - \$37.00/sf to build 40,000 sf industrial facility
- Sales
 - \$50.00-\$125.00/sf to purchase office space
 - \$37.00-\$50.00/sf to purchase industrial space

Public Policy

- Access to public officials unequaled
- Constitutionally balanced budget – no major deficits
- Only state-owned bank in the nation offers business expansion funds

Taxes

- Ten-year tax analysis recently completed by third-party accounting firm comparing property, corporate, and sales taxes along with workers compensation and unemployment insurance cost across 11 states and communities
 - ND #1 in lowest taxes for manufacturing facility
 - ND #1 in lowest taxes for food processing facility
- #6 in nation for best location – in terms of overall costs of doing business (2003 Business Facilities Magazine)
- 2003 State Legislature lowered top corporate income tax rate from 10.5% to 7%

Education and Quality Workforce

Primary

- 13.3 to 1 student to teacher ratio (NEA 2003)
- Fourth graders ranked in top 10 in math and top 20 in reading (NAEP 2003)
- Eighth graders #2 in math and #4 in reading (NAEP 2003)

Secondary

- #1 for highest public high school graduation rate (84.1%, compared to 66.1% for the U.S. - 2000)
- #1 in SAT Test Scores (2002)

Post Secondary

- #1 in college continuation rate for high school graduates (69.4%, compared to 56.7% for the U.S. average – 2000)
- #1 in college participation rates for 19 year olds (58.4%, compared to 37.5% for the U.S. average – 2000)
- Nineteen college and university campuses, including 2 major research universities
- Two of the first laptop universities in the nation

Workforce Proficiency

- Right-to-work state – Union membership less than 10%
- Average commute about 15 minutes, almost half national average
- Imation – High-tech mfg facility in Wahpeton (650 employees)
 - Annual Turnover Rate – Less than 3%
 - Absenteeism Rate – Less than 3%
- Unisys Shared Service Center – Bismarck (400 employees – accounts payable)
 - Annual Turnover Rate – 11% compared to industry standard of 35-40%
 - Absenteeism Rate – 1%
 - Worldwide accounts payable and payroll
 - 10 Languages spoken: Nordic Languages, French, Dutch, German, Spanish, Portuguese, Italian, Vietnamese and Korean