



Growing Interest in North Dakota

NEW COMMERCE DEPARTMENT AND SO MUCH MORE: ND LEGISLATURE BOOSTS ECONOMIC DEVELOPMENT

It's a go: the 2001 Legislature approved Gov. John Hoeven's plan to create a Commerce Department to strengthen, streamline and improve economic development and build tourism.

The new entity will bring together ED&F, the Tourism Department, the Division of Community Services, and the Workforce Development program. An Economic Development cabinet will advise the Director of Commerce.

The Commerce Department has a budget of \$5.2 million to market both economic development and tourism, an increase of \$1.7 million over last biennium. The budget includes nearly \$1 million to promote North Dakota as a travel destination for the Lewis and Clark Bicentennial. And the new combined department concentrates the state's development resources in a flexible, user-friendly way.

"We have combined the dollars for capital formation, workforce development, and marketing, instead of having small pots of money all over the place that are hard to use efficiently," said Hoeven. "The Commerce Department will offer one-stop shopping for those seeking to start or expand businesses in North Dakota. We'll provide a single point of contact, more efficient service, and less red tape."

In other moves designed to encourage economic development, the 2001 Legislature:

- Increased renaissance zone tax credits
- Passed several new tax credits to provide the tools

for capital formation and investment. New tax credits include a 30 percent tax credit for investments in primary sector businesses; a 30 percent tax credit on individual investments of up to \$20,000 in value-added agricultural ventures; and tax credits for investment in wind, geothermal, and solar power development.

- Passed a sales tax exemption on computer equipment for expansion of technology-based businesses
- Increased the Beginning Entrepreneur Loan Fund from \$500,000 to \$4 million, and increased the individual loan cap to \$100,000
- Appropriated \$2.35 million for investment purposes for "Primary Sector" business in North Dakota to the ND Development Fund
- Increased the Work Force 2000 training program to \$2.1 million, up \$850,000 from last biennium. Workforce training delivered through the university system increased from \$875,000 to \$1.3 million.
- Established greater uniformity with other states' securities laws to reduce the regulatory burden on businesses raising capital
- Created investment tax credits for value-added ag ventures, and a value-added ag promotion board in the Commerce Department to proactively promote opportunities in value-added processing
- Provided \$2.5 million to enhance ethanol production in North Dakota
- Provided \$89.6 million in funding to develop the statewide high-speed data, video, and voice network linking North Dakota high schools, colleges, court-houses and state government agencies. The network also provides the infrastructure necessary for creation of tech-based businesses throughout the state. ■



These are some of the images used in the full-page, full-color ad and the 30-second television commercial that North Dakota is currently running in California (see article on page 2).

CALIFORNIA CAMPAIGN: OUT OF THE BAG

After a few months of creative and technical brilliance and plain old sweat by many dedicated people, North Dakota's print and television ads are running in California. The ads invite Californians to consider all the good reasons for expanding to or starting up in North Dakota

- Full-page, full-color ads began running in the San Jose Business Journal April 27.
- The same ads will run in Upside magazine beginning in June.
- 30-second television ads started running April 30 and will run for six weeks on Fox, CNN, and CNBC.

The campaign features Imation, located in Wahpeton, and their plant manager, Dennis Gladen. Imation is the world leader in removable storage media, and they LOVE what North Dakota employees help them accomplish! We're grateful for the efforts of Dennis and Imation — way above and beyond the call of duty — to help us meet media deadlines.

To see a .pdf of the print ad and a QuickTime version of the commercial, go to www.growingnd.com and click on the first teaser that says Welcome California. ■

WHO'S INVESTED?

In addition to the state of North Dakota, the following have invested in the campaign to encourage California companies to start up in, or expand to, North Dakota:

Bismarck Mandan Development Association
 Rugby Area Job Authority
 Stark Development Corporation (Dickinson)
 Valley City/Barnes County Development Corp.
 Garrison Area Improvement Association
 Mercer County Economic Development
 Montana Dakota Utilities
 Otter Tail Power Company
 Carrington Jobs Development Authority
 Cavalier Rural Electric Cooperative
 Bowman County Development Corp.
 Adams County Development Corp.
 Grant County JDA
 Hettinger County JDA
 Cavalier County JDA
 City of Northwood
 Wahpeton Economic Development
 Forward Devils Lake Development Corp.
 Walsh County JDA

MDU RESOURCES GROUP RANKED IN FORTUNE 1000

The April 16 issue of *Fortune* magazine listed MDU Resources Group, Inc., for the first time, on the Fortune 1000 list, ranking it as the 738th largest company in the USA in terms of total revenues for 2000. MDU's 2000 revenues increased 46 percent over 1999.

Within the 14 energy-industry companies in the Fortune 1000, MDU was also ranked:

- #1 in total return to investors for 1990-2000, with 19 percent annual growth
- #1 in terms of profits as a percentage of assets
- #2 in terms of the earnings-per-share 1990-2000 annual growth rate of 11 percent
- #3 in terms of profits as a percent of revenues
- #5 in terms of total profit (profits in 2000 increased 32 percent over 1999)
- #6 in terms of total return to investors in 2000 (69 percent)
- #7 in terms of numbers of employees
- #9 in terms of total annual
- #10 in terms of profits as percent of stockholder equity ■

DEVELOPMENT FUND INVESTS IN SEVEN PROJECTS

The ND Development Fund (NDDF) Board recently approved seven projects to receive a total of \$658,000 to start or expand business endeavors.

- **BeAtHome.com**, Fargo: company specializing in home monitoring technology (equipment purchase)
- **Semolina Specialties**, Crosby: pasta plant (equipment purchase)
- **FarmNet Services, Inc.**, Harvey: agribusiness (building 21-state, Internet-based service for farmers, suppliers and related agribusiness companies)
- **Peragon Enterprises**, Grand Forks: (marketing an innovative truck accessory)
- **Agro-Tech, Inc.**, Velva: ag-related research (construction of new facility)
- **TSR Parts Co.**, Colgate: combine parts manufacturer (expanding services)
- **Intellisol, Inc.**, Fargo: computer software and service marketing company (expanding services)

The Board approves funding for companies and projects that bolster the state's economy and primary sector business growth. In the past five months, the Board has invested in more than 15 companies across the state. ■

ND RURAL DEVELOPMENT COUNCIL COSPONSORS TRIBAL/FEDERAL CONFERENCE

The North Dakota Rural Development Council was a co-sponsor and presenter for the third annual Great Plains Region Tribal/Federal Conference, "Networking to Impact Reservation Economies," April 10-12, Aberdeen, SD.

More than 200 tribal leaders and federal program administrators attended the event. Special speakers included U.S. Senators Tom Daschle and Tim Johnson, and Congressman John Thune, all from South Dakota, and Sharon Blackwell, Deputy Commissioner for Indian Affairs, US Department of the Interior.

NDRDC has partnered with the USDA and the primary financial overseeing agencies as an "Interagency Working Group for Reservations." The partnership has provided technical assistance and support to the Spirit Lake Sioux Nation to enhance the potential for lending to individual members and the tribal government. ■

APUC FUNDS EIGHT PROJECTS

The ND Agricultural Products Utilization Commission (APUC) recently approved funding requests for eight projects, totaling \$ 263,177.

- **ND Irrigation Caucus:** \$20,000 to capitalize on the state's potential for irrigation development and ag processing.
- **Semolina Specialties,** Crosby: \$80,000 for legal research on developing grower and delivery contracts, and to hire a sales and marketing professional for entry into pasta markets.
- **ND Buffalo Association:** \$18,500 for program administration and to promote sales for buffalo producers participating in the "Adopt A Freezer" program. Producers and ranchers buy or lease display freezers placed in local retail establishments and stock them with Buffalo Nickel" buffalo meat.
- **Erickson Manufacturing Company, Inc.,** Milnor: \$9,500 to refine and further test the Eagle Ditcher.
- **FlaxTech LLC,** Rock Lake: \$40,477 for market research, planning, and promotion of value-added horticultural products converted from flax straw. Products include hanging basket liners, garden mulch blankets, and tree skirts.
- **Schulz Juneberry Farm,** Davenport: \$4,700 to establish and stabilize markets for Juneberries.
- **Dakota Heritage Beef,** Amidon, and **Rolling Hills Premium Ranch Beef,** Medina: \$15,000 to help

produce and market ready-to-eat microwavable beef roasts and other beef products.

- **Dakota Halal Processing,** Harvey: \$75,000 for Dakota Halal Poultry to recommission the closed poultry processing plant in Tolna.

APUC is a division of the state Economic Development and Finance Department and administers five grant programs for researching and developing new and expanded uses for North Dakota agricultural products: basic and applied research, marketing and utilization, cooperative marketing, farm diversification, and agricultural prototype. The grants are competitively awarded based on merit and likelihood of success. APUC funds are derived from farmers' off-road gasoline tax, state funds, and USDA grants. ■

SUND MANUFACTURING KEEPS INNOVATION IN THE FAMILY

This feature is the first in a series highlighting successful primary-sector businesses in North Dakota. If you have ideas about future stories on unique or successful businesses, please email ndedf@state.nd.us.

Fred Sund, a blacksmith by trade, started Sund Manufacturing in 1926 and served as president for 50 years. After Fred's death, his son, Lloyd, took over as president for the next 26 years. This year, Lloyd passed the presidency to his son, Paul, whose brother and sister, Fred and Monica, also work for Sund.

Sund Raking Pickup

The company's initial success was due to the Sund Raking Pickup that founder Fred Sund pieced together in 1940. During the 1930s drought, crops were short and frail. Fred wasn't satisfied with available crop-gathering machines because they didn't collect from the ground and left most of the crops untouched and wasted in the field. His brainchild was a pickup with three rows of teeth that are constantly in contact with the ground. The pickup has no problem collecting damaged or short crops and, after all these years, is still in a class of its own. "You can't design grandpa's pickup any better," says Paul Sund.

Belt Pickup

Lloyd Sund added a belt pickup to the production line to add efficiency to grain harvesting (although the belt pickup doesn't collect from the ground like the raking model does). Under Lloyd's command, Sund Manufacturing received recognition from the U.S. Small Business Administration as Small Business Exporter of the Year in 1985. That year,

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exports comprised 43 percent of Sund's sales as the company made huge inroads in Canada, Mexico, and Australia.

PowerBroom

In January 1991, Ron Bergman of Bottineau approached Paul Sund with an idea. A business owner, Bergman had grown tired of shoveling his sidewalks and designed a way to fasten bristle brushes onto a tiller. He talked with Sund, who modified the idea that evolved into the PowerBroom. The PowerBroom is a rubber-paddled roller that attaches to a gas-powered grass trimmer. Designed for snow removal, it also removes lawn debris, breaks up matted grass, squeegees wet surfaces, spreads mulch, and cleans nearly any surface.

Who will lead Sund Manufacturing to future innovation? Not to worry. Paul's two sons, ages 18 and 12, are both interested in the job. ■

WE GREW!

The 2000 Census has North Dakota's population expanding from 638,800 to 642,200 (+0.5 percent)! Surely that growth is a result of our world-class workforce, inexpensive energy, abundant water, and boundless room to expand — and NOT a result of the hard winter of 1997! ■

"Our North Dakota plant sets global records for productivity and speed."

Dennis Gladen, plant manager
Imation, Wahpeton, ND

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