



Growing Interest in North Dakota

GOVERNOR'S CHOICE ECONOMIC DEVELOPMENT AWARD WINNERS ANNOUNCED

The citizens of Forman, John Phillips of Beulah and Imation Corporation of Wahpeton are the recipients of the Governor's Choice for Economic Development Awards. Gov. John Hoeven presented the awards at the December conference of the Economic Development Association of North Dakota.



Dennis Gladen (center), Imation plant manager, was awarded the 2002 Governor's Choice for Economic Development Project of the Year by Gov. John Hoeven (right), shown with Jane Priebe, nominator, Wahpeton Economic Development.

The Volunteer Developer of the Year Award was presented to the citizens of Forman, who were nominated by Forman Mayor Robert H. Cookson. In the nomination Cookson said, "No single individual can be given credit for the recent improvements to the city of Forman... We wonder if any other North Dakota city with a population of 506 can match our progress?" Wurth Service Supply Company, a German company that supplies fasteners worldwide in the manufacturing sector, expanded to Forman this fall. Other developments in Forman include a new Sargent Central Activity Building, built with private funds; a new 21-unit motel; other new businesses; a renovated city hall; a new library; the annexation of land to expand the city's industrial park; and a new web site for the city.

John Phillips, development director, Beulah Jobs Development Authority, was the recipient of the Professional Developer of the Year Award. Beulah Mayor

Gary Allard nominated Phillips for the award. Beulah recently announced a Pennsylvania-based company was expanding to Beulah. "John has been instrumental and worked tirelessly on this and other projects. He puts in as much effort and time as needed to provide each business a smooth transition whether it is start-up, expansion or recruitment. John is the city's greatest promoter."

Imation Corporation in Wahpeton was the recipient of the Project of the Year Award. Jane Priebe, Wahpeton economic development coordinator, nominated Imation for the award. According to Priebe, the Imation expansion project has been called a real "home run." Priebe said, "The immensely complex financing package will probably not be duplicated for a very long time. The city, the region, the state and the federal agencies it took to complete the deal is a tribute to local, state and national politicians and community partners working together to get the job done."

Other award nominees were:

- Tony Grindberg, NDSU Research and Technology, Fargo;
- Mark Krauseneck, Grand Forks Region Economic Development Corporation;
- Gary Satern, Rugby Job Development Authority;
- Fort Mandan Visitor Services Center, Washburn;
- SEI Information Technology, Grand Forks; and
- Heartland Durum Cooperative (doing business as Bushel 42 Pasta Co.), Crosby. ■

INFORMATION TECHNOLOGY COMPANY EXPANDING TO BEULAH

The Beulah Jobs Development Authority and the North Dakota Department of Commerce teamed up to bring a new information technology company to Beulah.

Jason Wolfe, CEO of Pennsylvania-based Direct Response Technologies Inc., said his company plans to initially hire 10 people at the Beulah location – the company's first expansion outside of Pennsylvania. Wage levels will be similar to those paid in Pittsburgh and range from \$25,000-\$45,000 for salaried employees and \$10-\$12 for hourly.

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Wolfe said he expects 33 people to be working at the Beulah facility by the end of 2003 and 100 people by the end of 2004 as the company expands into product merchandising.

"When we started to consider where we were going to expand, North Dakota was among the top three states because one of our contractors, Mike Marcil, is a native North Dakotan and one of the Department of Commerce's out-of-state ambassadors," Wolfe said. The Department of Commerce's ambassadors are former North Dakotans in key positions around the country who are helping to promote business expansion opportunities in North Dakota.

Economic developers at the Department of Commerce had the initial contact with the company and gave local developers across North Dakota the opportunity to answer a request-for-proposal. Seventeen North Dakota communities submitted information. Officials from Direct Response Technologies chose to visit five North Dakota communities before selecting Beulah. ■

\$50,000 ADDED TO PARTNERS IN MARKETING BUDGET

The Division of Economic Development & Finance (ED&F) has added \$50,000 more to its Partners in Marketing program because of the program's popularity. So far this biennium, \$175,000 has been committed to 29 communities and 18 counties. Local communities and economic development groups use the grants to help pay for local marketing efforts.

The communities and counties that received grants include: Beach, Binford, Cando, Carrington, Cavalier, Cooperstown, Crosby, Devils Lake, Dickinson, Finley, Grafton, Grand Forks, Hannaford, Hatton, Hillsboro, Hope, Killdeer, Langdon, Larimore, Mayville, Minot, Portland, Rolla, Rugby, Tioga, Valley City, Walhalla, Watford City and Williston. The counties include Adams, Barnes, Bowman, Cavalier, Divide, Dunn, Grant, Hettinger, McKenzie, Mountrail, Nelson, Pembina, Slope, Towner, Traill and Walsh, and the Griggs-Steele Empowerment Zone.

"Local developers have used the Partners in Marketing program just as we hoped they would," said Linda Butts, director of ED&F. "This program is another example of how we are doing things differently." ■

LOCAL LEADERS ATTEND TWIN CITIES ECONOMIC DEVELOPMENT EVENT

More than 200 guests attended a Twin Cities business reception in November as part of the North Dakota Department of Commerce's efforts to market North Dakota to potential businesses.



The Tourism Division showcased North Dakota with a Lewis & Clark theme at the St. Paul reception.

Gov. John Hoeven led the delegation of North Dakota business and government leaders. Also participating in the event were representatives from the Department of Commerce, private businesses, local economic developers, state legislators and the North Dakota University System, including the chancellor and some college presidents and alumni associations.

Representatives from the North Dakota Economic Development Foundation also participated. Private donations funded the cost of the dinner.

Following the event 20 businesspeople asked for more information on expanding their business to North Dakota and 35 guests volunteered to be ambassadors. The ambassadors group includes North Dakotans helping to tell their out-of-state business contacts that North Dakota is a good place to live, work, play and be in business, and former North Dakotans in key positions around the country who are volunteering to help promote business expansion opportunities in North Dakota.

Linda Butts, director of the Department of Commerce's Economic Development & Finance Division, said, "The

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business receptions give us an opportunity to make personal contacts with industry executives and targeted individuals like alumni who are in key positions in these companies. It's one of the things we are doing differently to generate high-quality jobs in North Dakota."

Having the governor, state and local economic development officials, the university system and others at the same event strongly demonstrates to potential businesses the spirit of cooperation in North Dakota and how everyone works as a team, Butts said. "That cooperation gives us a competitive advantage as a state because working together, we can make things happen quickly. We're showing them North Dakota is a good place to live, work and be in business." ■

GOVERNOR'S BUDGET HIGHLIGHTS SMART GROWTH INITIATIVES

The executive budget Gov. John Hoeven announced earlier this month stresses three key priorities: one is building the state's economy and creating opportunity.

The governor's Smart Growth initiatives tie education and economic development together in new ways to create high-quality job opportunities for the people of North Dakota – especially our youth. Smart Growth initiatives that relate directly to economic development include:

- Three new venture capital funds to fuel new enterprises:
 - The Centers of Excellence Fund – this fund will be administered by the Board of Higher Education and used to leverage other monies from the federal government and the private sector to further develop university Centers of Excellence.
 - A New Venture Fund – a \$10 million fund for new ventures and expansions of existing ventures to help North Dakota entrepreneurs. It also includes \$3 million in technical assistance funding to help these businesses succeed.
 - Seed Capital Fund – this \$1 million fund will support entrepreneurs with new concepts to help them get their projects off the ground. Both the North Dakota Seed Capital Fund and the New Venture Capital Fund will be administered by the Department of Commerce.
- Making the recommendations of the Higher Education Roundtable permanent.

- An internship program for young people. The North Dakota Business Internship Program will make \$2 million available to pay for internships in growth industries where there are critical shortages of skilled workers in career-track jobs.
- Decoupling the state corporate income tax from the federal corporate tax. At present, the effective North Dakota rate is 6.8 percent, but it is often perceived as a 10.5 percent rate because of the way federal deductions are allowed. As a result, North Dakota's tax rate is often cited in national surveys and publications at more than 10 percent – a "high-tax state" – deterring companies from locating here.
- Leveraging economic development marketing efforts by partnering the Department of Commerce with the New Economy Initiative (NEI). The governor's budget provides funding of \$200,000 to NEI, which they will further leverage with federal and private sector funding. ■

TOURISM DIVISION AWARDS FIRST MATCHED GRANTS

The Department of Commerce Tourism Division has awarded \$50,000 as part of its new Matched Grant Program, which encourages regional partnerships and promotes tourism-related events in the state. Grant recipients are:

- Fort Abraham Lincoln Foundation: Bismarck-Mandan
- Birding Drives Dakota: Carrington, Jamestown, Steele
- Williston Convention and Visitors Bureau
- Sakakawea South Shore: Three Affiliated Tribes and Mercer, Dunn and Oliver counties
- Birding Opportunities: Devils Lake
- Turtle Mountain Winter Games: Bottineau
- Sheyenne River Valley National Scenic Byway: Valley City
- MIND (Museums in North Dakota): Statewide
- Dunn County JDA Tourism Committee: Killdeer
- First Night: Grand Forks
- Benson County Tourism Association: Maddock
- Roar, Soar, and Explore: West Fargo

This is the first year of the Matched Grant Program. "This is one of the things we are doing that is new," said Joanne Olson, deputy director of the Tourism Division. "We are doing things differently and we believe that developing regional partnerships offers a strong draw for people who are vacationing or are looking for a fun weekend." ■



NEW DEVELOPMENT FUND PROJECTS

The North Dakota Development Fund has recently invested in projects in Beulah, Wahpeton and Jamestown.

Pennsylvania-based Direct Response Technologies Inc. is expanding its operation to North Dakota. The Development Fund made an equity investment to help the direct-marketing technology firm establish a sales and service center in Beulah.

Imation's \$10 million expansion project added 128,000 square feet to its Wahpeton plant. The expansion will create new high-skilled jobs adding to a workforce that already numbers around 700 employees. The Development Fund loan is helping Imation with new equipment purchases.

Agri-Cover, Inc., received a Development Fund loan to expand its Jamestown manufacturing plant. The company manufactures tarps and related products for the ag transport and light truck industries. ■

NEW NEWSLETTER IN JANUARY

Beginning in January 2003, the North Dakota Department of Commerce will debut a new newsletter. It's another step in integrating the department's operations and communications since the merger of four separate entities just over a year ago.

The new newsletter will incorporate news and information from the Community Services, Economic Development & Finance, Tourism and Workforce Training divisions.

This is the last issue of Growing Interest you will receive. Next month, watch for DOC's new publication in your e-mail. The newsletter will also be available online at www.growingnd.com. ■

WHAT THEY'RE SAYING

"I travel widely across the U.S., and I have found the educational capabilities in North Dakota for primary, secondary and higher education to be among the best in our nation."

– Barry Batcheller, CEO, Phoenix International ■

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