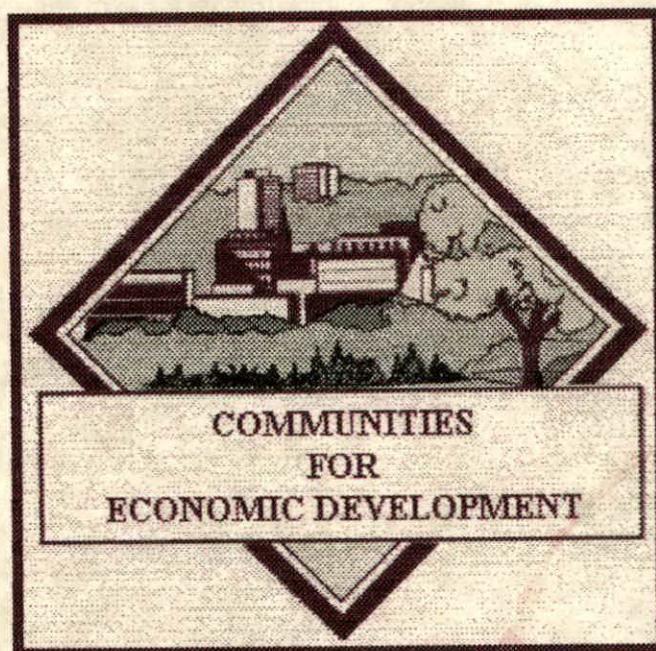


**MAGIC FUND
ECONOMIC IMPACT REPORT
1998**



**COMPILED FOR THE CITY OF MINOT BY:
MSU's BUSINESS & COMMUNITY ASSISTANCE CENTER
900 NORTH BROADWAY, SUITE 301
MINOT ND 58703
701-858-3825
1-800-777-0750 – EXT. 3825**

city of Minot

April 1999

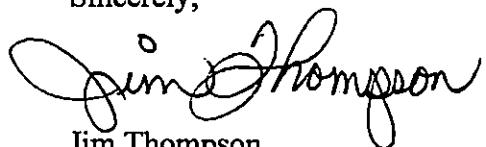
The Minot Area Growth by Investment and Cooperation (MAGIC) Fund is pleased to present their 1998 annual economic impact report. The MAGIC Fund will continue to provide financing incentives to businesses in northwestern North Dakota. The focus will continue on the creation and expansion of primary sector jobs to build a strong economic base for our region.

The greatest challenge and by far the most rewarding project for 1998 was the ReliaStar project. Our local economic development professionals, the professionals working at the state level, our congressional delegation, and many of our local citizens did a wonderful job of telling our story, "The Minot Factor".

On behalf of the MAGIC Fund Committee and the City of Minot, I wish to extend our appreciation to the economic development volunteers and professionals for an exceptional year. They have done a very good job of accepting and dealing with new challenges every day.

We also wish to express a sincere thank you to the many dedicated entrepreneurs who are continuing to live, work, and provide opportunities to the citizens of our area. You are our neighbors and friends and we appreciate you.

Sincerely,



Jim Thompson
MAGIC Fund Chairman

ACKNOWLEDGEMENTS

Special thanks are extended to the following for preparation assistance, reporting, and editing:

*Businesses funded by the MAGIC Fund
City of Minot Administrative Staff
Minot Area Development Corporation
Minot State University
Small Business Development Center
Souris Basin Planning Council*

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PREFACE

Inception

The Minot Area Growth by Investment and Cooperation (MAGIC) Fund was established in 1990 when Minot voters approved a one percent city sales tax. Forty percent of the sales tax is designated for economic and industrial development. Project funding assessment and recommendations are conducted by the MAGIC Fund committee members, who are appointed by the Mayor and confirmed by the City Council.

1998 Committee Members

Jim Thompson
Chairman
Eide Bailly, LLP
Professional Sector
(Appointed 6/97)

Bruce Carlson
Vice-Chairman
Verendrye Electric
Trade Area
(Appointed 6/97)

Steve Blasing
Westlie Motors
Business Sector
(Appointed 6/98)

Richard Campbell
First Western Bank
Finance Sector
(Appointed 6/98)

Ken Erhardt
Souris River Telephone
Labor Sector
(Appointed 6/97)

Mark Hager
NW Electric
Labor Sector
(Appointed 6/98)

Buzz Syria
Preferred Travel
Business Sector
(Appointed 10/98)

Past Committee Members

Colleen Anderson
KMOT - TV
Business Sector
(6/97-9/98)

Orlin Backes, Past Chairman
McGee, Hankla, Backes
Professional Sector
(6/90-6/93)

Dick Bergstad
IBEW
Labor Sector
(6/90-6/94)

Karen Czaplewski
Vision Energy
Business Sector
(6/90-6/93)

Blaine DesLauriers, Past Chairman
First International Bank & Trust
Financial Sector
(5/93-6/98)

Wanda Emerson
Mayor of Mohall
Trade Area
(6/93-6/97)

Monte Espe
Northern States Power
Labor Sector
(6/93-6/97)

Jim Jensen, Past Chairman
Signal Management Corporation
Business Sector
(6/90-6/94)

John Hoeven, Past Vice-Chairman
First Western Bank
Finance Sector
(6/90-5/93)

John Petrik
Pringle, Herigstad Law Firm
Professional Sector
(6/93-6/97)

Ron Rauschenberger
Kenmare Clothing
Trade Area
(6/90-6/93)

John Samuelson
Samuelson Shoes – Retired
Business Sector
(6/94-6/98)

Ernie Selland, Past Vice-Chairman
Minot Telephone Company
Business Sector
(6/93-6/97)

Robert Thom
Minot Public Schools
Labor Sector
(6/90-6/93)

Scott Tranby
Mowbray Plumbing & Heating
Labor Sector
(6/94-6/98)

Role

The MAGIC Fund's role in the financial packaging of business startups, expansions, or retentions is to provide "gap" financing and/or relocation incentives. Funds are to be used to leverage related financing through primary lenders, venture capitalists, and others. The MAGIC Fund offers substantial flexibility in structuring financial terms to meet each individual project's needs in this role.

Process

Applicants contact one of the following service providers to assist them in submitting a proposal:

Minot Area Development Corp.
1020 20th Ave SW
PO Box 940
Minot, ND 58702
852-1075

Small Business Development Center
900 North Broadway, Suite 301
Minot, ND 58703
852-8861

Business & Community Assistance Ctr.
Minot State University
900 North Broadway, Suite 301
Minot, ND 58703
858-3825 or 800-777-0750, ext. 3825

Souris Basin Planning Council
4215 Burdick Expressway East
Minot, ND 58701
839-6641

Requests for funding involve a two step process. A project proposal is submitted for review, providing the MAGIC Fund Committee an opportunity to communicate concerns, request specific information, and/or offer valuable suggestions. If the proposal falls within MAGIC Fund guidelines and merits further consideration, the committee votes to invite an application. Approval is based on the impact the business has on the region's economy, the number of jobs created/retained, and the quality of jobs. For five years after the year of funding, the MAGIC Fund requests a report of actual jobs created/retained and actual wages paid from the funded companies.

Business Friends

The MAGIC Fund understands that assisting a business to start, expand, or relocate in northwestern North Dakota is only the first step. Recognizing the risks that an entrepreneur faces in this uncertain and fast-paced global arena, the Minot community wants to do more than simply provide financial assistance. It wants to foster a long-term, profitable, and continuing community partnership through its Business Friends program.

The Business Friends program is designed to:

- ✓ Extend a hand of friendship from the Minot community to the business
- ✓ Offer assistance by providing relevant information and support
- ✓ Encourage collaboration and provide the link to locate desired resources for expanded support
- ✓ Contact the business periodically to gather required MAGIC Fund employment data.

Public Support

The public perception of the MAGIC Fund's contribution to improved quality of life in Minot was put to the test at the Minot polls in 1995. By a margin of 8.4 to 1, voters overwhelmingly supported a continuation of the one percent city sales tax, of which 40 percent is designated for economic and industrial development through June 30, 2006.

Annual Report

The MAGIC Fund General Policy Guidelines, as approved by the Minot City Council, require an annual economic impact report of the activities of the MAGIC Fund. This economic impact report is compiled by the Minot State University's Business and Community Assistance Center (BCAC). Questions or comments regarding the annual report should be directed to the BCAC at (701) 858-3825 or (800) 777-0750, ext. 3825.

Methodology

Businesses that have received funds from the MAGIC Fund within the last 5 years, are asked to complete a report of the number of jobs created or retained. This report also includes information on wages and benefits paid by the business. This report is found in Appendix B.

The number of jobs reported is the total number of full-time equivalent jobs at year-end, unless the business has seasonal employment in which the average number of jobs is used. The total wages are divided by the average number of jobs to arrive at the average hourly wage, rather than the number of jobs at year-end.

Limitations

Of the 61 businesses surveyed for the number of jobs and wage impact, there were 4 companies that did not respond. In these cases, we relied on verbal estimations from the local economic developers and extrapolations from previous years' reports. Percentages were rounded to the nearest whole unless otherwise noted. In the case of job retention, the entire number of local jobs and wages were reported. In the case of expansion, only the incremental jobs and wages were measured unless otherwise specified by the application. The accuracy of this report is dependent on the accuracy of the information reported by the companies.

The amount of actual job creation attributable to each partner in the financing and economic development support is difficult to measure. Information on how many of the economic development projects would have been undertaken in absence of the MAGIC Fund is not known. Various projects may have begun at a later date or on a smaller scale and some may have substituted another source of funding.

1998 ECONOMIC IMPACT REPORT

1998 Projects Approved and Jobs Projected

Fourteen proposals were brought to the MAGIC Fund Committee in 1998. All of these were invited to submit a full application. Eleven of these have submitted applications to the committee. All eleven applications were approved. These applicants intend to create 704 jobs as a result of the funded business projects totaling \$4,707,500. *(Detailed information from years 1993 through 1998 are provided in Appendix A and B)*

BUSINESS (APPLICANT)	JOBS PROJECTED	MAGIC FUND INVESTMENT	DATE FUNDED
West Dakota Feed and Seed	9	12,500	March 1998
Scherr's Cabinet and Doors, Inc.	5	7,000	March 1998
Medical Arts Press	10	12,000	May 1998
Designs in Stone	12	36,000	June 1998
Minot State University*	0	100,000	June 1998
Choice Hotels International	125	500,000	Sept. 1998
Dynaband Telemarketing	88	100,000	Sept. 1998
Mohall Supermarkets	5	5,000	Nov. 1998
Dakota Drug, Inc.**	0	300,000	Nov. 1998
Souris Basin Planning Council***	0	135,000	Nov. 1998
ReliaStar	450	3,500,000	Dec. 1998
TOTAL JOBS	704	\$4,707,500	

* Funds were intended for a marketing program to attract more students to MSU.

** To retain a long-time business in the community.

*** To recapitalize the Souris Basin Revolving Loan Fund.

Past Years' Investment and Projected Jobs

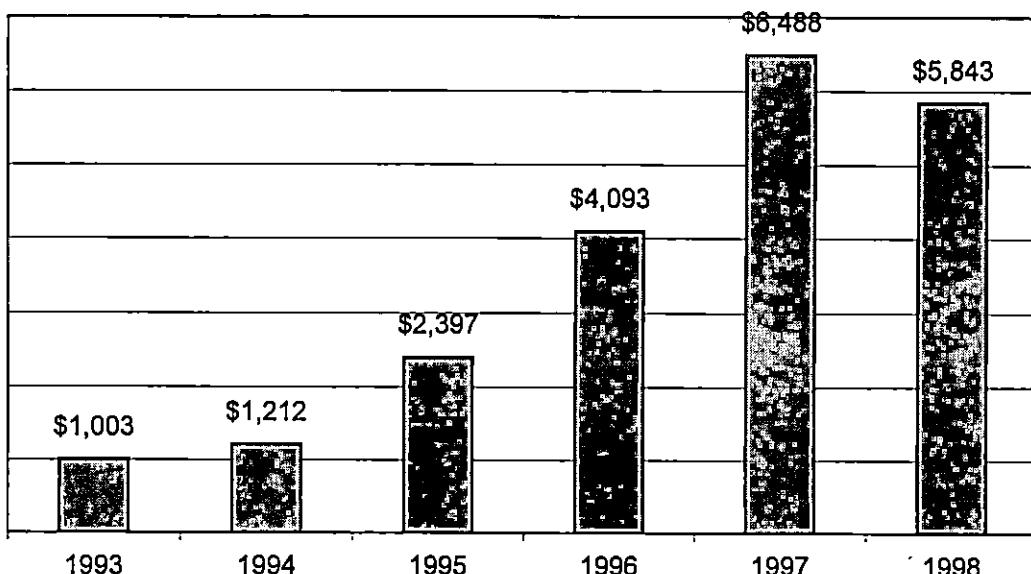
Since the MAGIC Fund's inception in 1990, a total of \$14,347,516 has been obligated to 156 job creation or retention projects in 42 communities. These businesses have indicated an intent to provide a total of 4,869 full-time equivalent (FTE) jobs by the year 2000. The following numbers have been adjusted for projects withdrawn after funds were approved. Some businesses have been funded in two or more different years and their projections may differ between funding application. (*Detailed information from years 1993 through 1998 are provided in Appendix A and B*)

YEAR	FTE JOBS PROJECTED	MAGIC FUND INVESTMENT
1990 and 1991	618	1,621,870
1992	733	1,155,976
1993	627	629,016
1994	587	711,205
1995	410	982,883
1996	1029	4,209,850
1997	611	3,962,416
1998	254	1,072,500
GRAND TOTAL:	4,869	\$14,347,516

Yearly Job Creation Costs

The MAGIC Fund invested \$4,707,500 in 1998 to assist in the creation and retention of 704 projected jobs. Based on these numbers, the average cost per job is \$5,843.

We are pleased to report that the increased investment per job in 1998 has resulted in an increased projected average hourly wage of \$9.19 per hour for those projects that were funded in 1998 (*note: hourly wage projections were not available for two of these projects*). This is 9% higher than the average wage of \$8.40 per hour in previous years.



Actual Jobs Created/Retained vs. Projected Jobs Created/Retained

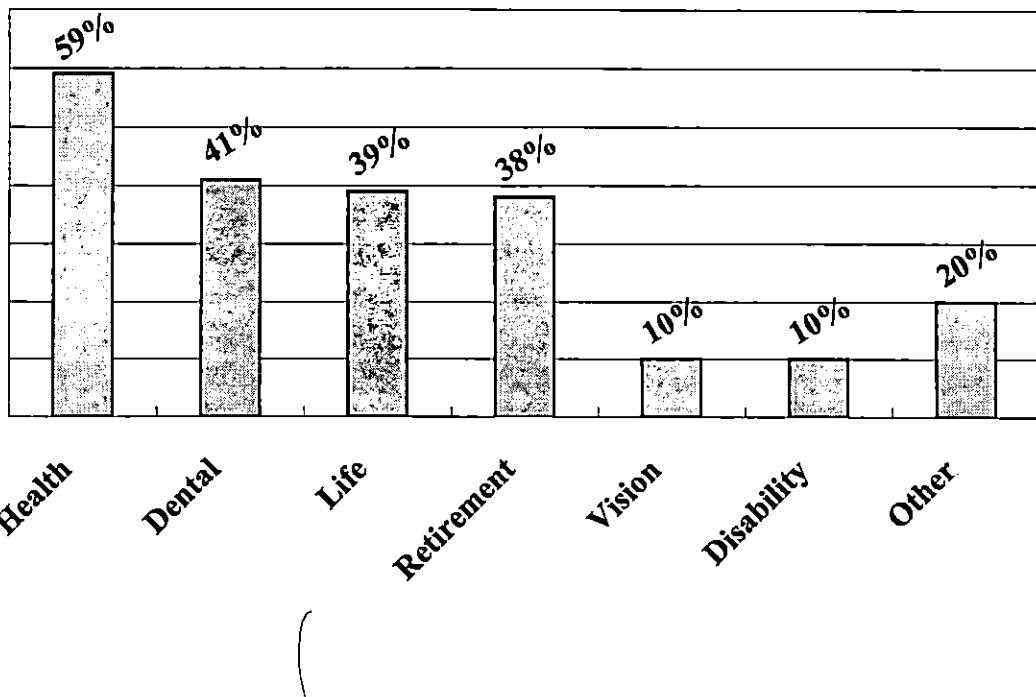
The number of actual jobs created or retained for *all* projects funded by the MAGIC Fund from 1993 through 1998 was 3,838.50 as of December 31, 1998. This figure represents 124% of the jobs which were projected to be created or retained by 1998. 29% (1,130.75) of these jobs are from the rural areas and 71% (2,707.75) are located in Minot. (*Detailed information from years 1993 through 1998 are provided in Appendix B*)

Actual Wages vs. Projected Wages

The actual average wage for *all* projects funded by the MAGIC Fund from 1993 through 1998 was \$8.38 per hour as of December 31, 1998. Businesses that have closed and would have an hourly wage of \$0 are included in this average. The average projected wages for *all* projects during this same time frame was \$9.03 per hour. Based on these wage figures, actual wages were 93% of what was projected.

Fringe Benefits Provided for Funded Jobs

Fringe benefits were provided for the employees of 61% of existing businesses who were funded by the MAGIC Fund between 1993 and 1998. In other words, 38 of the 61 businesses surveyed provide benefits to their employees. These 38 businesses also paid 55% of the cost of the fringe benefits for their employees. The following chart shows the types of benefits that were provided and the percentage of existing companies that provided each type.



Economic Impact

Based on the following chart, \$18.09 in wages were paid for every \$1.00 of MAGIC Funds invested between 1993 and 1998. The MAGIC Fund's impact on our economy is only partially measured by job creation and wages. Various other economic factors also need to be considered. Capital investment, diversification of our economic base, and quality of jobs are also influenced by MAGIC Fund investments.

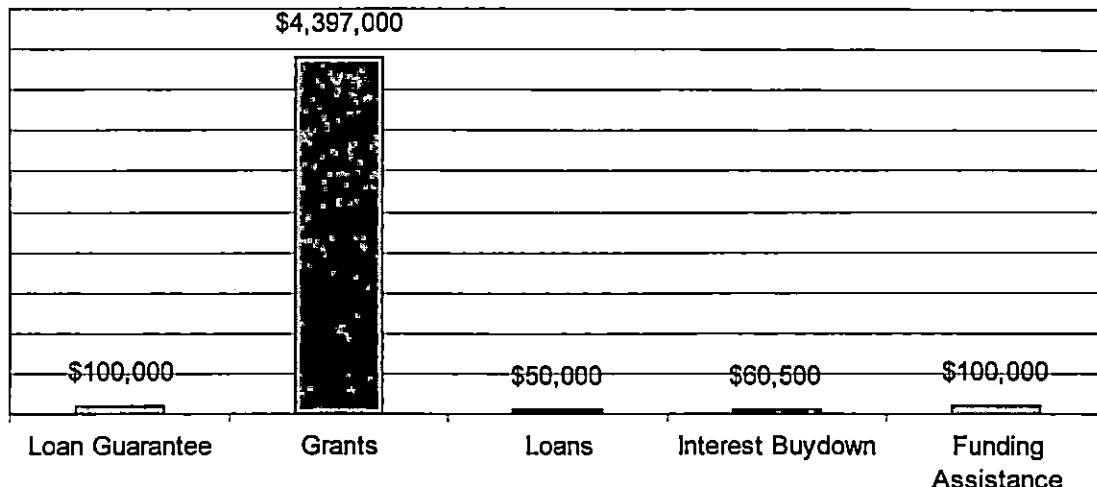
YEAR	WAGE PAID	MAGIC FUND INVESTMENT
1993	20,600,000	629,016
1994	29,700,000	711,205
1995	37,100,000	982,883
1996	35,700,000	4,209,850
1997	36,023,107	3,964,216
1998	60,786,194	1,072,500
GRAND TOTAL:	\$209,260,039	\$11,569,670

Leverage and Types of Assistance

The MAGIC Fund committee has been able to spread the risk of investment by leveraging various funding sources. From 1993 through 1998 the MAGIC Fund provided an average of 15.23% of the capital on projects in which it participated leveraging \$5.56 for each dollar invested. Appendix A shows how the individual investments were leveraged in detail.

The MAGIC Fund's success is due in part to its willingness to create unique, flexible, ample financial agreements and terms. There is a sincere desire to give each business the best opportunity to achieve its goals and create additional jobs. Following is a summary of the types of funding provided in 1998.

These statistics strongly support the tremendous value of a community based growth fund for gap and incentive financing. This allows a community to leverage their funds for maximum benefit.



Marketing Match

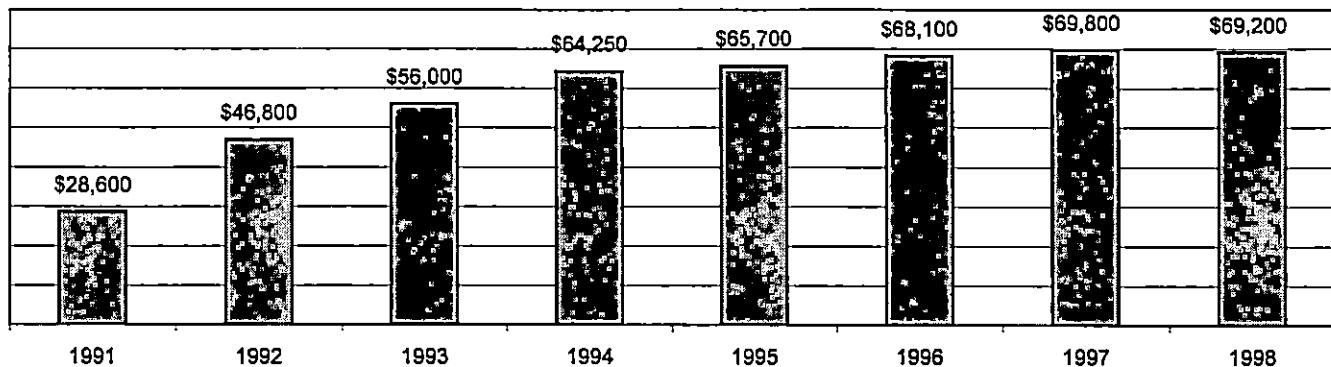
The MAGIC Fund contributed to the economic development efforts of northwestern North Dakota by providing \$1,000 to \$2,000 in marketing funds directly to 46 communities. A total of \$69,200 was approved and was matched by at least \$139,669* in funds from the communities. Appendix C shows how each community utilized and matched their funds. (*Detailed information from years 1993 through 1998 are provided in Appendix C*)

*At time of printing, one community had failed to report.

The MAGIC Fund committee adopted the following funding formula in 1992. A community's distance from Minot and population determine the dollar amount awarded with \$2,000 being the maximum.

POPULATION	(A) 0 TO 60 MILES AWAY	(B) 61 TO 90 MILES AWAY	(C) 91 OR MORE MILES AWAY
1 TO 499	\$1,500 (75.0%)	\$1,250 (62.5%)	\$1,000 (50.0%)
500 TO 999	\$1,750 (87.5%)	\$1,500 (75.0%)	\$1,250 (62.5%)
1000 AND HIGHER	\$2,000 (100.0%)	\$1,750 (87.5%)	\$1,500 (75.0%)

The following table shows the yearly totals that have been contributed through the Marketing Match program.



Rural Impact

The MAGIC Fund has supported surrounding rural communities in their economic development efforts since its inception. The MAGIC Fund encourages surrounding rural communities to propose projects and apply for economic development funds. Minot recognizes that the surrounding communities have a significant impact on Minot's economy. When surrounding rural communities prosper, so does Minot.

In 1998 the MAGIC Fund provided direct job creation assistance to 4 projects in 4 rural communities obligating \$129,500 in funds for 114 projected jobs. This results in a cost per job of \$1,136.

From 1993 through 1998 a total of \$1,124,976 has been obligated to rural job creation/retention projects.

City of Minot Impact

The progressive trends in economic indicators, such as lower unemployment rates and increased taxable sales in Minot and Ward County, have been favorable. According to North Dakota Job Service, the unemployment rate in Ward County for December 1998 was 2.8%, which is well below the national average of 4.3% for the same time period. The 1998 average unemployment rate was 2.8% in Ward County. According to the State Tax Commissioner's office, taxable sales and purchases in Ward County were approximately \$521,578,614.00 in 1998. This is a decrease of .96% from \$541,325,451.00 in 1998.

In 1998 the MAGIC Fund provided direct job creation assistance to 5 companies within the City of Minot obligating \$943,000 in funds for 197 projected jobs. This resulted in a cost per job of \$4,787. The increased cost per job resulted in a substantial increase in average wages also.

From 1993 through 1998 a total of \$9,954,635 has been obligated to job creation/retention projects within the City of Minot.

Souris Basin Planning Council Revolving Loan Fund Program

To assist in the creation of permanent, private sector jobs by providing loans to qualifying businesses, the Souris Basin Planning Council obtained funding to capitalize the Souris Basin Revolving Loan Fund (SBRLF) Program. The SBRLF program has been capitalized with grants totaling \$775,000 from the Economic Development Administration (EDA) Title IX program, which was matched by grants totaling \$270,000 from the Minot MAGIC Fund. Combined with the revolved monies, the Souris Basin Revolving Loan Fund as of December 31, 1998 totals \$1,762,939.

To date, the Souris Basin Revolving Loan Fund has awarded 32 loans totaling \$1,625,526. In 1998 the SBRLF reviewed 5 applications, of which three were approved for funding totaling \$281,500. The SBRLF has assisted in creating and retaining 233 jobs in this region at a cost of \$6,272 per job.

Souris Basin Planning Council Intermediary Relending Program

In 1996 the Souris Basin Planning Council capitalized the Souris Basin Intermediary Relending Program (SBIRP) with a \$500,000 USDA Rural Development loan, which was matched with a \$25,000 equity grant from the Minot MAGIC Fund. The purpose of this loan program is to provide for the creation and retention of permanent private sector jobs, to expand the area's economic base, and to enable local governments to improve infrastructure and public facilities to maintain and improve the quality of life.

To date the SBIRP has awarded eight loans totaling \$525,000. In 1998 seven applications were reviewed and approved for funded totaling \$490,326.

Conclusion

The MAGIC Fund continues to serve as a major force in shaping the economic potential of the region. Job creation efforts have centered around employment opportunities that target jobs providing a full range of competitive salaries and benefit packages. The success of the complimentary relationships with other communities is particularly noteworthy. The MAGIC Fund continues to prove the wisdom of the community in founding a tax based job creation fund that proactively focuses on developing high quality jobs to strengthen the economic base of northwestern North Dakota.

APPENDIX A

LISTING OF APPROVED JOB CREATION/RETENTION PROJECTS TO DATE

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
BELCOURT					
Dynaband Telemarketing	100,000	Loan	900,000	10%	1998
BERTHOLD					
Larry's Meat Shop (<i>Berthold EDC</i>)	1,500	Grant	51,500	2.83%	1994
Tumbleweed Café of Berthold	5,500	Grant	61,000	8.27%	1996
BOTTINEAU					
Chem Sharp (<i>Bottineau EDC</i>) / SOLD	10,000	Loan	91,500	9.85%	1995
Great Plains Dev. Teleservice Ctr. (<i>Bottineau Dev. Ltd.</i>)	50,000	Loan	288,500	14.77%	1995
Midwest Telemark Int. (<i>Bottineau EDC</i>)	2,284	Grant	2,285	49.99%	1997
BOWBELLS					
Nelson Plumbing and Heating (<i>Bowbells Dev. Corp.</i>)	4,000	Grant	11,500	25.81%	1994
BURLINGTON					
Yale Hoppers, Inc. / CLOSED	4,000	Loan	12,200	24.69%	1993
CARPIO					
North Central Cattle Feeders Cooperative	50,000	Loan Guarantee	700,000	6.67%	1994
CROSBY					
Crosby Self Serve (<i>Crosby Economic Development</i>)	1,500	Interest Buydown	81,500	1.81%	1994

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
DEVILS LAKE					
Sagen, Inc.	500	Grant	10,000	4.76%	1993
ESMOND					
Safe Corporation Int. (<i>City of Esmond</i>) / CLOSED	30,000	Loan	1,135,000	2.58%	1993
FESSENDEN					
Great Plains Dev. Teleservice Ctr. (<i>Central Dak. Dev. Corp.</i>)	50,000	Loan	278,500	15.22%	1995
GARRISON					
Great Plains Dev. Teleservice (<i>Garrison Area Imp. Assoc.</i>)	50,000	Loan	345,000	12.66%	1996
GLENBURN					
Heartland Caf�� (<i>Glenburn CDC</i>)	5,000	Grant	62,500	7.41%	1995
GRANVILLE					
Shave & A Haircut (<i>Granville EDC</i>)	1,200	Grant	6,300	16.00%	1996
HARVEY					
NuGrain Products Co/ CLOSED	60,000	Equity Investment	480,000	11.11%	1996
TJ Manufacturing / CLOSED	20,000	Loan	208,600	8.75%	1994
Wood-N-You/ <i>Withdrawn After Approval</i>					
HAZEN					
Impact Telemarketing (<i>Hazen CDC</i>)	20,000	Loan	208,600	8.75%	1994
Noble Games	65,000	Loan	1,928,000	3.26%	1996

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
KENMARE					
Incabar USA, Inc. (<i>Kenmare CDC</i>)	5,000	Loan	45,000	10.00%	1994
Midwest Telemark Int. (<i>Kenmare CDC</i>)	3,432	Grant	65,432	4.98%	1997
North Dakota Envelope Co. (<i>Kenmare CDC</i>)	16,000	Interest Buydown	351,000	4.36%	1994
LANSFORD					
Gates Manufacturing, Inc. (<i>Lansford CBE</i>)	10,000	Grant	520,000	2.44%	1997
Schepp's Dakota Deli	3,000	Loan Convertible	52,000	13.33%	1995
	5,000	Grant			
LEEDS					
Farmer's Choice Pasta (<i>Leeds EDC</i>)	50,000	Loan	1,000,000	4.76%	1995
Uniband Data Entry (<i>Leeds EDC</i>) / <i>CLOSED</i>	26,000	Loan	222,000	10.48%	1995
LIGNITE					
Lignite Medical Clinic (<i>City of Lignite</i>)	8,000	Loan Guarantee	11,300	41.45%	1993
MAKOTI					
Makoti Market (<i>Makoti Development Corporation</i>)	5,000	Loan	28,000	10.48%	1995
	5,000	Equity Investments			
MANDAREE					
Mandaree Electronics Corp	30,000	Loan Guarantee	159,000	15.87%	1997
MINOT					
Banton Industries, Inc. / <i>CLOSED</i>	35,000	Loan	388,000	8.27%	1994
Central Machining & Pump Repair, Inc.	19,500	Interest Buydown	225,000	7.98%	1995
	12,600	Interest Buydown	125,000	9.16%	1993
Choice Hotels International	500,000	Grant	483,000	51.00%	1998

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
Cloverdale Foods Company	17,356	Interest Buydown	205,000	7.81%	1993
MB Associates, LLP d.b.a. Creative Cabinetry	24,000	Grant	270,000	8.16%	1997
Creative Media, Inc.	30,000	Loan	52,000	36.59%	1995
Dakota Drug, Inc. (Dakco Distributors, Inc.)	250,000 50,000	Grant Loan	9,369,000	3.00%	1998
Dakota Marketing & Research (<i>now operating as Eliance Corp.</i>)	40,000	Grant	40,000	50.00%	1994
	150,000	Loan Guarantee	980,000	14.01%	1996
	10,000	Interest Buydown			
	350,000	Loan Guarantee	500,000	41.18%	1997
Degelman Industries	16,505	Loan	200,000	7.62%	1994
Designs in Stones	36,000	Grant	450,000	7.00%	1998
Electronics Services Ent., Inc./CLOSED	113,000	Loan	250,000	32.82%	1996
	9,150	Rent Subsidy			
Ever-Fresh Products, Inc./CLOSED	47,500	Loan	1,239,500	3.69%	1995
Flexi-Coil, Inc.	32,800	Grant/Water Line	2,611,000	6.21%	1995
	50,000	Grant/Site & Bldg.			
	90,000	Interest Buydown			
Fold-Form	75,000	Loan	225,000	25.00%	1993
	70,000	Grant	1,000,000	6.54%	1995
	8,000	Interest Buydown	300,000	2.60%	1996
F.P. Bourgault Industries	90,000	Interest Buydown	1,425,700	6.77%	1994
	13,500	Grant			
Granite Springs Water	7,500	Interest Buydown	250,000	2.91%	1994
Interstate Brands	150,000	Grant	700,000	17.65%	1993
MedVision/CLOSED	2,000,000	10 Year Loan	1,700,000	63.83%	1997
	1,000,000	Equity Investment			

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
Mikela Corporation/ <i>CLOSED</i>	15,000	Loan	210,000	6.67%	1995
Minot Milling Co	710,000	Grant	29,290,000	3.20%	1996
	250,000	Grant			1997
Minot State University	100,000	Funding Assistance	0	100%	1998
Minot Vocational Adjustment Workshop	53,200	Interest Buydown	1,229,000	4.15%	1994
Monarch Products	10,000	Interest Buydown	175,000	5.41%	1995
Small Business Management (<i>Minot State University</i>)	20,000	Grant	121,702	14.11%	1995
Niess Ent., LLP (<i>Assumed loan of NW Molding</i>)	40,000	Loan	215,000	15.69%	1996
Oral Logic (<i>Now called Dental Healthway</i>)	50,000	Loan Guarantee	600,000	7.69%	1993
	36,441	Interest Buydown	641,000	5.38%	1994
Prairie Truck Equipment	62,000	Interest Buydown	1,015,000	5.76%	1997
Pro-Entry/ <i>CLOSED</i>	72,000	Equity Investment	72,500	49.83%	1993
Pro-Mark One (now operating as direcTEL)	75,000	Grant	400,000	15.79%	1993
	240,000	Grant		100.00%	1994
ReliaStar	3,500,000	Grant	0	100.00%	1998
Rice Lake Products, Inc.	16,500	Interest Buydown	200,000	7.62%	1994
Scherr's Cabinet & Doors, Inc.	7,000	Grant	85,000	8.00%	1998
Science & Nature International, Inc. / <i>CLOSED</i>	50,000	Loan	125,000	28.57%	1993
Soaring Eagle Outerwear	40,000	Grant	350,000	31.11%	1993
Souris Basin Planning Council	135,000	Grant	0	100.00%	1998
Sykes Enterprises, Inc.	2,000,000	Grant	2,800,000	49.73%	1996
	670,000	Grant/Infrastructure			
	100,000	Misc.			
Terhorst Manufacturing	26,500	Interest Buydown	375,000	6.60%	1993
	10,000	Interest Buydown	450,000	2.17%	1994
	90,083	Interest Buydown	900,000	9.10%	1995
Uniband, Inc.	125,000	Loan Convertible	2,350,000	5.05%	1995
Vertical Solutions	37,500	Loan	107,500	25.86%	1994

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
MOHALL					
Accel Dakota / <i>Withdrawn After Approval</i>					
Midwest Telemark International, Inc.	2,560	Interest Buydown	212,560	1.19%	1993
Mohall Supermarkets	5,000	Grant	207,350	2.00%	1998
NEW TOWN					
Symbiotic Lab/ <i>CLOSED</i>	4,000	Grant	55,150	6.76%	1996
NOONAN					
Hyper Corporation (<i>City of Noonan</i>)	2,500	Grant	7,500	25.00%	1997
POWERS LAKE					
NW Veterinary Services (<i>Powers Lake Community Dev.</i>)	1,500	Interest Buydown	104,500	1.42%	1994
RAY					
Medical Arts Press	12,000	Grant	156,000	7.14%	1998
Pro Link (<i>Ray CDC</i>) / <i>CLOSED</i>	10,500	Loan	140,000	6.98%	1993
ROSS					
West Dakota Feed & Seed	12,500	Grant	37,500	25.00%	1998
RUGBY					
Rugby Manufacturing	55,000	Interest Buydown	1,905,000	3.05%	1996
	5,000	Grant			1996
The Connection (<i>Rugby JDA</i>)	40,000	Grant	408,600	22.70%	1996
	80,000	Loan			1997
St. Michel Rentals (<i>Rugby EDC</i>)	2,500	Grant	76,000	3.18%	1994

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
SAWYER					
Punkin Patch Pheasant Ranch	500	Grant	35,500	1.39%	1993
STANLEY					
Veteran's Home (Stanley EDC) / Withdrawn After Approval					
TOWNER					
Sandhill Dairy (Towner CDC)	12,500	Interest Buydown	750,000	1.64%	1993
VALLEY CITY					
Heartland Products, Inc.	25,000	Loan	505,000	9.82%	1993
	30,000	Loan			1994
WATFORD CITY					
Iron Steer Enterprises, Inc./CLOSED	5,000	Loan	115,000	4.17%	1993
Impact Telemarketing	20,000	Loan Guarantee	244,000	7.58%	1996
WESTHOPE					
Deva Lifewear (Westhope EDC)	7,100	Interest Buydown	840,000	3.23%	1993
	20,900	10 Year Loan			
	4,000	Interest Buydown	4,000	50.00%	1996
WILDROSE					
Wildrose Grocery Store (Wildrose EDC)	5,000	Grant	41,777	10.69%	1995
ZAP					
Western Munitions, Inc. (Mercer-Oliver EDC) / CLOSED	65,000	Loan	1,725,000	3.63%	1995

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
		MAGIC FUND INVESTED	OTHER PROJECT FUNDS	MAGIC FUND'S % OF TOTAL INVESTED	
TOTAL RURAL FUNDED:	1,124,976		16,886,654	6.25%	
TOTAL MINOT FUNDED:	13,538,635		64,699,902	17.30%	
GRAND TOTAL (1993-1998):	14,663,611		81,586,556	15.23%	

APPENDIX B

EMPLOYER'S ACTUAL and PROJECTED FULL-TIME EQUIVALENT (FTE)

JOBS CREATED/RETAINED:

BUSINESS (APPLICANT)	1998 ACTUAL FTE	1998 PROJECTED FTE	FUTURE PROJECTED FTE
BELCOURT			
Dynaband Telemarketing	52.00	88.00	88.00
BERTHOLD			
Larry's Meat Shop (<i>Berthold EDC</i>)	2.50	4.00	4.00
Tumbleweed Café of Berthold	4.25	6.00	6.00
BOTTINEAU			
Dakota Development (<i>Bottineau Dev. Ltd.</i>)	54.75	54.00	54.00
Midwest Telemark Int. (<i>Bottineau EDC</i>)	237.50	36.00	45.00
BOWBELLS			
Nelson Plumbing and Heating (<i>Bowbells Dev. Corp.</i>)	0.50	2.00	2.00
CARPIO			
North Central Cattle Feeders Cooperative	0.25	13.00	13.00
CROSBY			
Crosby Self Serve (<i>Crosby Economic Development</i>)	7.75	6.00	6.00
DEVILS LAKE			
Sagen, Inc.	3.00	1.00	1.00
FESSENDEN			
Great Plains Dev. Teleservice Ctr. (<i>Central Dak. Dev. Corp.</i>)	46.25	41.00	41.00
GARRISON			
Great Plains Dev. Teleservice Ctr. (<i>Garrison Area Imp. Assoc.</i>)	42.25	36.00	44.00
GLENBURN			
Heartland Café (<i>Glenburn CDC</i>)	1.00	2.50	2.50
GRANVILLE			
Shave & A Haircut (<i>Granville EDC</i>)	0.50	1.00	1.00
HARVEY			
NuGrain Products Co./ CLOSED	0.00	0.00	0.00
TJ Manufacturing / CLOSED	0.00	0.00	0.00

BUSINESS (APPLICANT)	1998 ACTUAL FTE	1998 PROJECTED FTE	FUTURE PROJECTED FTE
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HAZEN

Impact Telemarketing (<i>Hazen CDC</i>)	29.00	44.00	44.00
Noble Games	53.50	95.00	95.00

KENMARE

Incabar USA, Inc. (<i>Kenmare CDC</i>)	1.50	7.00	7.00
Midwest Telemark Int. (<i>Kenmare CDC</i>)	32.00	32.00	40.00
North Dakota Envelope Company (<i>Kenmare CDC</i>)	6.75	8.00	8.00

LANSFORD

Gates Manufacturing, Inc. (<i>Lansford CBE</i>)	No Response	8.00	13.00
Schepp's Dakota Deli	8.25	4.50	4.50

LEEDS

Farmer's Choice Pasta Coop. (<i>Leeds EDC</i>)	15.50	55.00	55.00
Uniband Data Entry (<i>Leeds EDC</i>) /CLOSED	0.00	0.00	0.00

LIGNITE

Lignite Medical Clinic (<i>City of Lignite</i>)	0.25	0.25	0.25
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MAKOTI

Makoti Market (<i>Makoti Development Corporation</i>)	0.75	3.00	3.00
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MANDAREE

Mandaree Electronics Corporation	49.00	12.00	21.00
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MINOT

Abacus Accounting Systems, Inc. / <i>CLOSED</i>	0.00	0.00	0.00
Central Machining & Pump Repair, Inc.	21.50	17.00	17.00
Choice Hotels International	218.50	125.00	125.00
Cloverdale Foods Company	237.75	48.00	48.00
Creative Media, Inc.	3.50	20.00	20.00
Dakota Drug	56.75	55.00	55.00
Dakota Marketing	139.25	146.00	254.00
Degelman Industries	12.00	22.00	22.00
Ever-Fresh Products, Inc./ <i>CLOSED</i>	0.00	0.00	0.00
F.P. Bourgault Industries	8.00	30.00	30.00
Flexi-Coil, Inc.	56.75	105.00	105.00
Granite Springs Water	19.25	11.00	11.00

BUSINESS (APPLICANT)	1998 ACTUAL FTE	1998 PROJECTED FTE	FUTURE PROJECTED FTE
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Interstate Brands	201.00	245.00	245.00
MB Associates, LLP d.b.a. <i>Creative Cabinetry</i>	10.00	4.00	16.00
Medvision, Inc./CLOSED	0.00	0.00	0.00
Mikela Corporation/CLOSED	0.00	0.00	0.00
Minot Milling Co	21.00	0.00	25.00
Minot State University	687.00	654.00	654.00
Minot Vocational Adjustment Workshop	309.75	38.00	38.00
Monarch Products	22.25	19.00	19.00
Niess Enterprises, LLP (<i>Assumed loan of NW Molding</i>)	8.75	12.00	19.00
Dental Healthway, Inc. (Formerly Oral Logic)	4.50	40.00	73.00
Prairie Truck Equipment	16.00	18.00	34.00
Pro-Mark One/CLOSED	0.00	0.00	0.00
Rice Lake Products	1.00	9.00	9.00
Scherr's Cabinet & Doors, Inc.	18.00	5.00	5.00
Soaring Eagle Outerwear	38.75	80.00	80.00
Sykes Enterprises, Inc.	541.00	400.00	400.00
Terhorst Manufacturing	53.50	82.00	82.00
Vertical Solutions	2.00	8.00	8.00

MOHALL

Midwest Telemark International, Inc.	175.00	80.00	80.00
Mohall Super Valu	11.00	5.00	5.00

NEW TOWN

Symbiotic Labs/CLOSED	0.00	0.00	0.00
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NOONAN

Hyper Corporation (<i>City of Noonan</i>)	12.00	8.00	13.00
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POWERS LAKE

NW Veterinary Services (<i>Powers Lake Community Dev.</i>)	4.75	8.00	8.00
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RAY

Medical Arts Press	17.00	12.00	20.00
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RUGBY

The Connections Telemarketing (<i>Rugby JDA</i>)	117.25	50.00	80.00
Rugby Manufacturing	79.25	87.00	87.00
St. Michel Rentals (<i>Rugby EDC</i>)	No Response		

BUSINESS (APPLICANT)	1998 ACTUAL FTE	1998 PROJECTED FTE	FUTURE PROJECTED FTE
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SAWYER

Punkin Patch Pheasant Ranch	No Response
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TOWNER

Sandhill Dairy (<i>Towner CDC</i>)	18.75	8.00	8.00
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VALLEY CITY

Heartland Products, Inc.	6.50	27.00	27.00
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WATFORD CITY

Impact Telemarketing	14.50	36.50	37.00
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WESTHOPE

Deva Lifewear (<i>Westhope EDC</i>)	23.00	28.00	31.00
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WILDROSE

Wildrose Grocery Store (<i>Wildrose EDC</i>)	2.75	3.00	3.00
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ZAP

Western Munitions , Inc. (<i>Mercer-Oliver EDC</i>) / CLOSED	0.00	0.00	0.00
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TOTAL RURAL: 1130.75 911.75

TOTAL MINOT: 2707.75 2193.00

GRAND TOTAL: 3838.50 3104.75

% OF PROJECTED JOBS THAT WERE CREATED OR RETAINED	124%
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% OF ACTUAL JOBS THAT ARE RURAL	29%
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% OF RURAL JOBS THAT WERE CREATED OR RETAINED	124%
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% OF ACTUAL JOBS THAT ARE IN MINOT	71%
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% OF MINOT JOBS THAT WERE CREATED OR RETAINED	123%
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APPENDIX C

MARKETING MATCH FUNDING LEVEL

COMMUNITY Miles from Minot A: 0 to 60 miles away B: 61 to 90 miles away C: 91 miles or more away	1998 MARKETING MATCH	1998 COMMUNITY MATCH	1998 USE OF FUNDS	
Alexander	C	1,000	1,463	Repaired undercarriage of stagecoach and re-built coach on stagecoach.
Anamoose	B	1,500	1,250	Purchased 3 radios for EMT volunteers from Anamoose community.
Berthold	A	1,500	2,000	Day Care improvements.
Beulah	C	1,500	1,500	(Failed to report at time of going to Press)
Bottineau	B	1,750	45,977	Promote tourism, safety, and job/business retention for: Project Back Home, Bottineau Winter Park, Rockin' The Hills, Turtle Mt. Lodge restaurant, Turtle Mt. Glass, Turtle Mt. Veterinary Hospital, Citizens for Accessible Higher Education.
Bowbells	B	1,200	1,250	A portion was used to replace two signs promoting the community, on Highway 52.
Burlington	A	2,000	2,000	Advertising and promoting the Burlington area. New signage at entrances to Burlington.
Butte	B	1,500	1,500	Promotion of both local recreational and tourist activities. Cottonwood Lake project; procurement of dock.
Carpio	A	1,500	1,500	Shared with Carpio Development Corp (\$1,000); \$500 used for administrative and promotion expenses, legal fees.
Coleharbor	A	1,500	1,500	Unused, at this time.
Columbus	C	1,000	500	Replaced one-half block of cement sidewalk in front of the City Café.
Crosby	C	1,500	2,000	Launched a marketing program, advertising campaign. Focus was promotion of community events such as county fair, threshing bee, and Ludefest, as well as community institutions such as golf club, medical center and fitness/gymnastics center.
Drake	A	1,500	1,000	Summer recreation program. New tables for City Park.
Esmond	C	1,000	1,000	Ads on World Wide Web. Screens for spillway. ND Horseshow Association. New bulletin board. Lumber to repair picnic tables. Funds to help start a business.
Garrison	A	2,000	2,000	Marketing promotions in magazines and television; match grant for Dickens advertising.

COMMUNITY Miles from Minot A: 0 to 60 miles away B: 61 to 90 miles away C: 91 miles or more away	1998 MARKETING MATCH	1998 COMMUNITY MATCH	1998 USE OF FUNDS	
			1998 USE OF FUNDS	
			1998 USE OF FUNDS	
			1998 USE OF FUNDS	

Glenburn	A	1,500	1,500	Updated back of Development Building for handicap access and office space. On-going project to attract new business in space available.
Granville	A	1,500	1,500	Advertising, promotional items, McGillicuddy Buffalo Days.
Grenora	C	1,000	1,000	Remodeled lower level of the Grenora Community Center for a community fitness center. Helped promote the fitness center.
Harvey	B	1,750	1,750	National advertising, and new Harvey signs.
Hazen	C	1,500	1,000	RV Park project; not completed yet.
Karlsruhe	A	1,250	1,250	Sign for North side of town. Planting of trees on North and West to give town a windbreak and hold snow.
Kenmare	A	2,000	4,700	Hired a part-time Director.
Lansford	A	1,500	1,500	Used for signs, advertising.
Leeds	C	1,250	1,250	Promotion of former Uniband facilities to attract a replacement. Development of housing lots for new homes and marketing of the lots.
Lignite	B	1,000	1,000	Lab, room on Clinic.
Maddock	C	1,250	1,250	Web page with Central North American Trade Corridor. Promotion of Business & Technology Center.
Makoti	A	1,500	5,328	Advertising and local promotions and projects (CANDISC BIKERS); business retention.
Max	A	1,500	6,290	"Save the Grocery Store" presentation. Selling community-owned garage to private enterprise.
Mohall	A	1,750	1,750	Economic Development Director.
Newburg	A	1,500	18,000	Remodeling community-owned bowling alley.
New Town	B	1,750	1,750	REC/RTC Vacation Guide advertisement, Dakota Country Magazine advertisement, New Town internet website, radio and television promotions.
Parshall	A	1,750	500	Tourism, Rock Museum and special promotions.
Pick City	B	1,250	1,500	Updated tourism brochures for tourism in Pick City.
Powers Lake	B	1,250	1,250	Sponsored Kids Fishing Derby, Light the Park Night, Christmas promotion, City brochure.
Ray	C	1,250	1,250	Helped purchase equity interest from former owner, for purchase and subsequent re-opening of café and bar in the Ray Mall by new owner.
Rugby	A	2,000	2,000	Brochures describing the town.
Sawyer	A	1,500	0	Helped in starting a gift shop in Sawyer.

COMMUNITY Miles from Minot A: 0 to 60 miles away B: 61 to 90 miles away C: 91 miles or more away	1998 MARKETING MATCH	1998 COMMUNITY MATCH	1998 USE OF FUNDS
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Sherwood	B	1,250	1,250	Help keep small grocery in town by helping with equity to new owners. Used some monies for All-School Reunion in Sherwood.
Stanley	A	2,000	2,000	Payroll for Economic Development Secretary.
Stanton	B	1,500	1,500	Concrete boat ramp in City Park.
Tioga	B	1,750	1,750	Economic development; Economic Director support.
Towner	A	1,750	1,750	Towner highway sign supporter, Towner internet web page supporter, Going Places/Towner promotion.
Turtle Lake	A	1,500	1,500	Signage on Community Center. Publicity for Assisted Living Project proposed here.
Velva	A	1,750	1,750	Home Rule, 1 cent sales tax brochures, mailings, Hwy 52 improvement brochure and information.
Watford City	C	1,500	1,500	Recruitment of potential tenants for business incubator.
Westhope	B	1,750	2,911	Economic development; advertising.

GRAND TOTAL \$ 69,200 \$ 139,669