

MAGIC FUND ECONOMIC IMPACT REPORT 1999



Compiled for the City of Minot by:
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City of Minot

April 2000

As Chairman of the Minot Area Growth by Investment and Cooperation (MAGIC) Fund, I am pleased to present the 1999 annual economic impact report. This report summarizes a wide variety of projects, and includes statistical information on job creation numbers, wages, and benefits of those projects. This report serves as a tool that allows interested community representatives a way of measuring the Fund's continued success.

1999 was an especially important year for the area. The Minot City sales tax had the largest percentage increase of the four major North Dakota cities in the fourth quarter of 1999. Even with tough agricultural times and a complete slow down of energy production, our community continues to grow. This is one of the only times our economy has continued to grow despite a variety of negative factors. We are beginning to diversify our economy in a way that all can reap the benefits.

There were projects in 1999 like Northwest Airlines/MLT in Minot and Total eMed.com, that provide great employment opportunities for people throughout the region. Expansions of Central Machining and Pump Repair in Minot, Souris River Grain in Newburg, Medical Arts Press in Ray, and Northrop Grumman in New Town continue to spark our economy and provide great employment opportunities for both our residents and new people that may want to call Northwest North Dakota their home.

On behalf of the MAGIC Fund Committee and the City of Minot, I would like to thank all of the economic development volunteers and professionals that worked tirelessly throughout the past year to better the quality of life for our region's citizens.

1999 was a great year for Minot and our region. Please continue to help us create more and better employment opportunities, through entrepreneurship, expansion, and retention and recruitment of new companies to Northwest North Dakota.

Sincerely,



Jim Thompson
MAGIC Fund Chairman

★ The Magic City★

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.

1999 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)

Jim Jensen, Past Chairman

Signal Management Corporation

Business Sector

(6/90-6/94)

Orlin Backes, Past Chairman

McGee, Hankla, Backes

Professional Sector

(6/90-6/93)

John Hoeven, Past Vice-Chairman

First Western Bank

Finance Sector

(6/90-5/93)

Dick Bergstad

IBEW

Labor Sector

(6/90-6/94)

John Petrik

Pringle, Herigstad Law Firm

Professional Sector

(6/93-6/97)

Karen Czaplewski

Vision Energy

Business Sector

(6/90-6/93)

Ron Rauschenberger

Kenmare Clothing

Trade Area

(6/90-6/93)

Blaine DesLauriers, Past Chairman

First International Bank & Trust

Financial Sector

(5/93-6/98)

John Samuelson

Samuelson Shoes – Retired

Business Sector

(6/94-6/98)

Wanda Emerson

Mayor of Mohall

Trade Area

(6/93-6/97)

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)

Monte Espe

Northern States Power

Labor Sector

(6/93-6/97)

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 62 businesses surveyed for the number of jobs and wage impact, there was 1 company that did not respond. In this case, 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.

1999 ECONOMIC IMPACT REPORT

1999 Projects Approved and Jobs Projected

Twenty-two proposals were brought to the MAGIC Fund Committee in 1999. Twenty were invited to submit a full application, and two were denied. Eighteen applications were submitted to the committee. All eighteen applications were approved. These applicants intend to create 1,139.5 jobs as a result of the funded business projects totaling \$3,822,400. *(Detailed information from years 1994 through 1999 are provided in Appendix A and B)*

BUSINESS (APPLICANT)	JOBS PROJECTED	MAGIC FUND INVESTMENT	DATE FUNDED
Sherwood Jack and Jill Store	*3.5	\$ 5,500	Feb. 1999
Superior Grains	11	40,000	March 1999
Velva Area Economic Development Corp.	**0	10,000	March 1999
AmeriTech GIS, LLC	19	20,000	April 1999
Central Machining and Pump Repair	31	36,000	April 1999
Northrop Grumman Corporation	80	92,900	April 1999
Souris Basin Planning Council	***0	75,000	April 1999
Souris River Grain Cooperative	23	5,000	June 1999
Commercial Group West	50	65,000	July 1999
Network Health Services	132	300,000	July 1999
Creative Industries	21	13,000	Aug. 1999
Cross Consulting Group	36	40,000	Aug. 1999
Medical Arts Press Project	100	30,000	Aug. 1999
Northwest Airlines/MLT	600	3,000,000	Aug. 1999
Deva Lifewear	20	25,000	Oct. 1999
Lake Road Auto Care	3	5,000	Oct. 1999
Minot State University	*****0	50,000	Oct. 1999
Mother of Eight Designs	10	10,000	Oct. 1999
TOTAL JOBS		1,139.5	\$3,822,400.00

* To allow town's only grocery store to remain open

** For acquisition of land

*** To recapitalize SBPC's Intermediary Relending Fund

**** For marketing assistance

Past Years' Investment and Projected Jobs

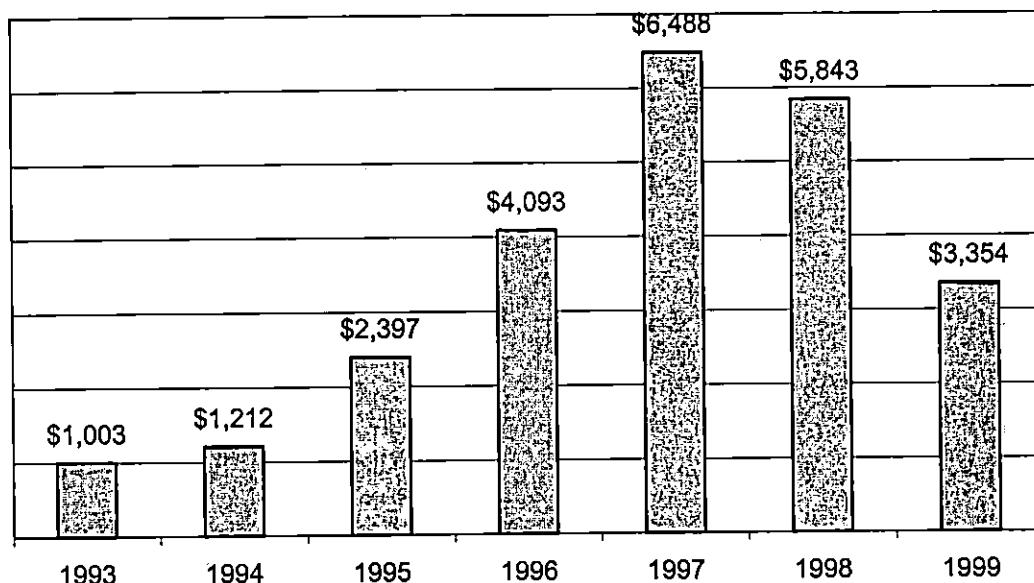
Since the MAGIC Fund's inception in 1990, a total of \$21,803,116 has been obligated to 174 job creation or retention projects in 42 communities. These businesses have indicated an intent to provide a total of 6,458.5 full-time equivalent (FTE) jobs by the year 2000. The following numbers have been adjusted 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 1994 through 1999 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	1,029	4,209,850
1997	611	3,962,416
1998	704	4,707,500
1999	1,139.5	3,822,400
GRAND TOTAL:	6,458.5	\$21,803,116

Yearly Job Creation Costs

The MAGIC Fund invested \$3,822,400 in 1999 to assist in the creation and retention of 1,139.5 projected jobs. Based on these numbers, the average cost per job is \$3,354.

We are pleased to report that the increased investment per job in 1999 has resulted in an increased projected average hourly wage of \$10.93 per hour for those projects that were funded in 1999 (*note: hourly wage projections were not available for four of these projects*). This is 8.4% higher than the average wage of \$9.19 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 1994 through 1999 was 3,912.50 as of December 31, 1999. This figure represents 116% of the jobs which were projected to be created or retained by 1999. 28% (1,095.5) of these jobs are from the rural areas and 72% (2,817) are located in Minot. (*Detailed information from years 1994 through 1999 are provided in Appendix B*)

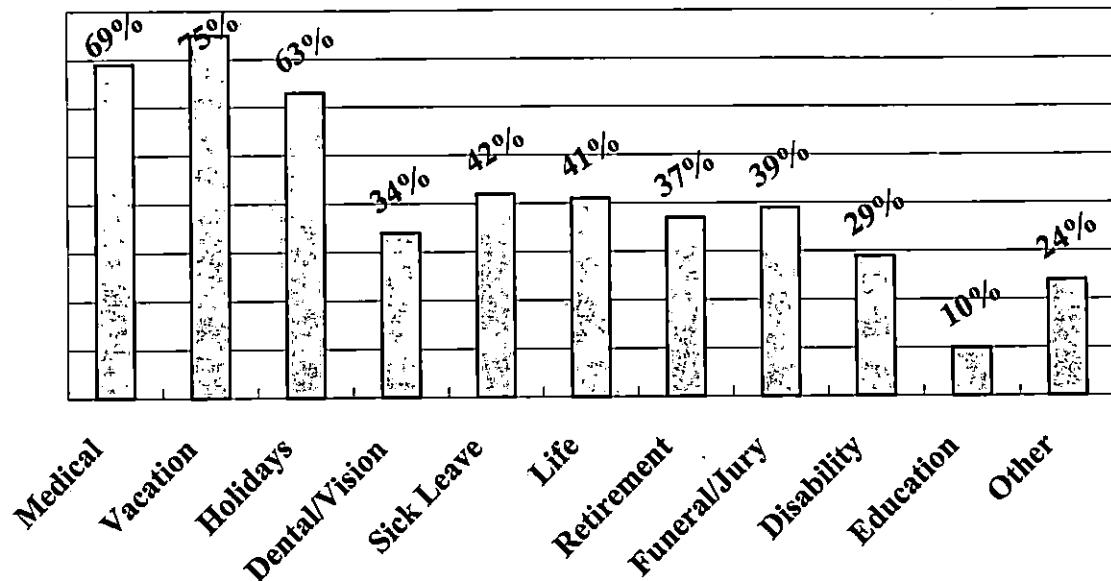
Actual Wages vs. Projected Wages

The actual average wage for all projects funded by the MAGIC Fund from 1994 through 1999 was \$8.80 per hour as of December 31, 1999. 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 \$9.41 per hour. Based on these wage figures, actual wages were 93.5% of what was projected. (One business did not return the survey.)

Fringe Benefits Provided for Funded Jobs

Fringe benefits were provided for the employees of 91% of existing and/or reporting businesses who were funded by the MAGIC Fund between 1994-1999. In other words, 53 businesses provided benefits of one kind or another to their employees and paid for them.

The table below shows the types of benefits that were provided and the percentage of reporting companies that provided each type.



Benefits that were provided and listed in the "Other" category were cafeteria plans, uniform allowances (shoes and clothing), and company stock options, to name those most cited.

Benefits Paid by Company

	0%	1-25%	26-50%	51-75%	76-100%
Vacation	14 (24%)	1 (2%)	1 (2%)	0	43 (74%)
Holidays	22 (38%)	2 (3%)	1 (2%)	0	34 (59%)
Retirement (401K)	36 (62%)	9 (16%)	6 (10%)	1 (2%)	7 (12%)
Sick or Family Lv	33 (57%)	1 (2%)	2 (3%)	1 (2%)	22 (38%)
Funeral Leave	35 (60%)	1 (2%)	1 (2%)	0	22 (38%)
Jury Duty Leave	35 (60%)	2 (3%)	2 (3%)	1 (2%)	19 (33%)
Medical Insurance	16 (28%)	3 (5%)	9 (16%)	9 (16%)	21 (36%)
Vision Care Insur	44 (76%)	0	5 (9%)	5 (9%)	4 (7%)
Dental Insurance	37 (64%)	0	7 (12%)	7 (12%)	8 (14%)
Life Insurance	33 (57%)	2 (3%)	4 (7%)	4 (7%)	16 (28%)
Disability Insur	40 (69%)	0	6 (10%)	4 (7%)	10 (17%)
Education	52 (90%)	2 (3%)	0	0	5 (9%)
Child Care	58 (100%)	0	0	0	0

None of the respondents provided child care benefits. Educational benefits ranged from full tuition reimbursement for job-related training to little or no support.

As for "flexitime", 38% (22) of the respondents allow their employees to choose working hours within established parameters. One company indicated that it was available only to salaried personnel while another provided the option to part-time personnel only.

As for part-time employees, fringe benefits are available in 34% (20) of the companies responding. One respondent indicated that the benefit package was prorated while another offers it only if the employee is working half-time or more.

Hourly personnel: Of the businesses reporting that full-time hourly personnel are eligible for fringe benefits, 10 (17%) indicated the benefits start with the first day of employment. Seven (14%) have a 60-day probation period, 15 (30%) have a 90-day probation period, and 6 (12%) have a six-month probation period after which benefits become available.

Salaried personnel: Of the businesses reporting that salaried personnel are eligible for fringe benefits, 22 (38%) indicated the benefits start with the first day of employment. Ten (21%) have a 90-day probationary period after which benefits become available. It is easy to see that salaried personnel are eligible for benefits more quickly than hourly employees.

Economic Impact

Based on the following chart, \$13.78 in wages were paid for every \$1.00 of MAGIC Funds invested between 1994 and 1999. 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, indirect job creation, and quality of jobs are also influenced by MAGIC Fund investments.

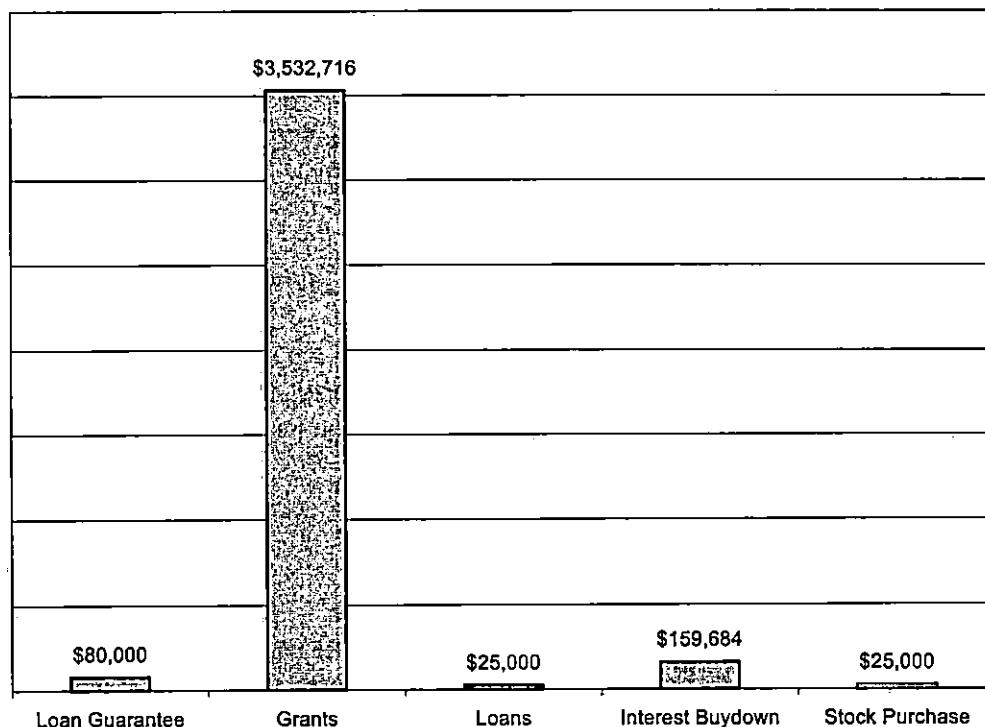
YEAR	WAGE PAID	MAGIC FUND INVESTMENT
1994	29,700,000	711,205
1995	37,100,000	982,883
1996	35,700,000	4,209,850
1997	36,023,107	3,964,216
1998	60,786,194	4,707,500
1999	64,812,170	3,822,400
GRAND TOTAL:	\$253,472,209	\$18,398,054

Leverage and Types of Assistance

The MAGIC Fund Committee has been able to spread the risk of investment by leveraging various funding sources. From 1994 through 1999 the MAGIC Fund provided an average of 17.26% of the capital on projects in which it participated leveraging \$4.79 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 1999.

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

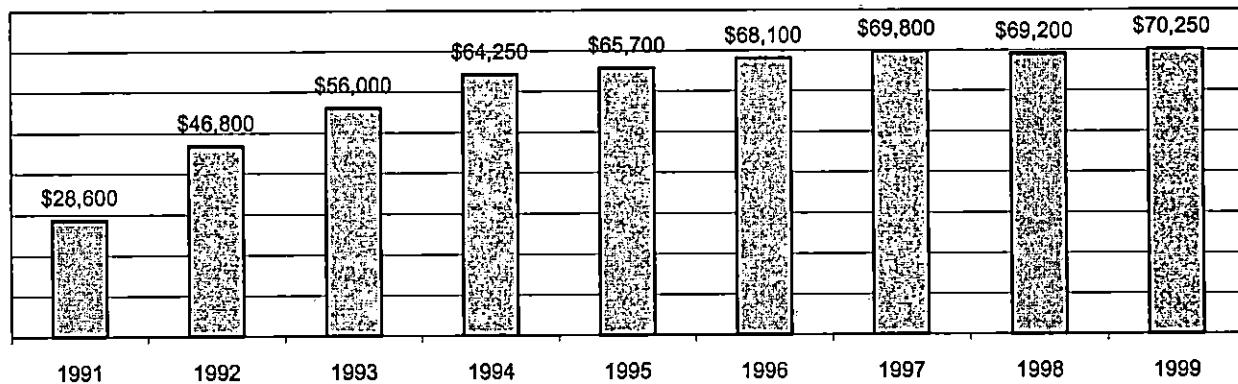
The MAGIC Fund contributed to the economic development efforts of northwestern North Dakota by providing \$1,000 to \$2,000 in marketing funds directly to 46 communities. A total of \$70,250 was approved and was matched by at least \$202,296* in funds from the communities. Appendix C shows how each community utilized and matched their funds. *(Detailed information from years 1994 through 1999 are provided in Appendix C)*

*At time of printing, six 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 1999 the MAGIC Fund provided direct job creation assistance to 13 projects in 11 rural communities obligating \$361,400 in funds for 376.5 projected jobs. This results in a cost per job of \$959.89.

From 1994 through 1999 a total of \$1,359,816 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 1999 was 2.7%, which is well below the national average of 4.1% for the same time period. The 1999 average unemployment rate was 2.78% in Ward County. According to the State Tax Commissioner's office, taxable sales and purchases in Ward County were approximately \$545,734,600 in 1999. This is an increase of .96% from \$521,578,614 in 1998.

In 1999 the MAGIC Fund provided direct job creation assistance to 5 companies within the City of Minot obligating \$3,461,000 in funds for 763 projected jobs. This resulted in a cost per job of \$4,536.04.

From 1994 through 1999 a total of \$16,431,179 has been obligated to job creation/retention projects within the City of Minot.

Souris Basin 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, 1999 totals \$2,119,108.

To date, the SBRLF has awarded forty (40) loans totaling \$1,888,066. In 1999 the SBRLF reviewed nine (9) applications, of which seven (7) were approved for funding totaling \$272,650. The SBRLF has assisted in creating and retaining 302 jobs in this region at a cost of \$5,984.

Souris Basin 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. Combined with the revolved monies, the Souris Basin Intermediary Relending Program as of December 31, 1999 totals \$564,134.

To date the SBIRP has awarded nine (9) loans totaling \$555,000. In 1999 one (1) application was reviewed and approved for funding totaling \$30,000.

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 FUNDS % 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>) / <i>SOLD</i>	10,000	Loan	91,500	9.85%	1995
Great Plains Development, Inc.	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
BUTTE					
Mother of Eight Designs	5,000	Grant	58,500	14.60%	1999
	5,000	Loan			
CARPIO					
North Central Cattle Feeders Cooperative / <i>CLOSED</i>	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
Superior Grains	40,000	Loan Guarantee	352,000	10.20%	1999

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
FESSENDEN					
Great Plains Development, Inc.	\$50,000	Loan	\$278,500	15.22%	1995
GARRISON					
Great Plains Development, Inc.	50,000	Loan	345,000	12.66%	1996
Lake Road AutoCare	5,000	Loan	33,000	13.16%	1999
GLENBURN					
Heartland Café (Glenburn CDC)	5,000	Grant	62,500	7.41%	1995
GRANVILLE					
Shave & A Haircut (Granville EDC) / CLOSED	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 (Hazen CDC)	20,000	Loan	208,600	8.75%	1994
Noble Games	65,000	Loan	1,928,000	3.26%	1996
KENMARE					
Commercial Group West	65,000	Grant	2,643,500	2.40%	1999
Creative Industries	13,000	Interest Buydown	388,000	3.24%	1999
Incabar USA, Inc. (Kenmare CDC)	5,000	Loan	45,000	10.00%	1994
Midwest Telemark Int. (Kenmare CDC)	3,432	Grant	65,432	4.98%	1997
North Dakota Envelope Co. (Kenmare CDC)	16,000	Interest Buydown	351,000	4.36%	1994

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
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LANSFORD

Gates Manufacturing, Inc. (<i>Lansford CBE</i>)	\$10,000	Grant	\$520,000	2.44%	1997
Schepp's Dakota Deli	3,000 5,000	Loan Convertible Grant	52,000	13.33%	1995

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>) / CLOSED	26,000	Loan	222,000	10.48%	1995

MAKOTI

Makoti Market (<i>Makoti Development Corporation</i>)	5,000 5,000	Loan Equity Investments	28,000	10.48%	1995
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MANDAREE

Mandaree Electronics Corp	30,000	Loan Guarantee	159,000	15.87%	1997
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MINOT

Banton Industries, Inc. / CLOSED	35,000	Loan	388,000	8.27%	1994
Central Machining & Pump Repair, Inc.	19,500 36,000	Interest Buydown Interest Buydown	225,000 781,060	7.98% 4.41%	1995 1999
Choice Hotels International	500,000	Grant	483,000	51.00%	1998
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

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
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./ <i>CLOSED</i>	113,000	Loan	250,000	32.82%	1996
	9,150	Rent Subsidy			
Ever-Fresh Products, Inc./ <i>CLOSED</i>	47,500	Loan	1,239,500	3.69%	1995
	32,800	Grant/Water Line			
Flexi-Coil, Inc.	50,000	Grant/Site & Bldg.	2,611,000	6.21%	1995
	90,000	Interest Buydown			
Fold-Form	70,000	Grant	1,000,000	6.54%	1995
	8,000	Interest Buydown	300,000	2.60%	1996
	90,000	Interest Buydown			
F.P. Bourgault Industries	13,500	Grant	1,425,700	6.77%	1994
Granite Springs Water	7,500	Interest Buydown	250,000	2.91%	1994
	2,000,000	10 Year Loan	1,700,000	63.83%	1997
MedVision/ <i>CLOSED</i>	1,000,000	Equity Investment			
Mikela Corporation/ <i>CLOSED</i>	15,000	Loan	210,000	6.67%	1995
	710,000	Grant			
Minot Milling Co	250,000	Grant	29,290,000	3.20%	1997
Minot State University	100,000	Funding Assistance	0	100%	1998
	50,000	Grant	0	100%	1999
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
Network Health Services	300,000	Grant	1,800,000	14.29%	1999
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
MLT/Northwest Airlines	3,000,000	Development Agreement	0	100%	1999

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
Oral Logic (Now called Dental Healthway)	\$36,441	Interest Buydown	\$641,000	5.38%	1994
Prairie Truck Equipment	62,000	Interest Buydown	1,015,000	5.76%	1997
Pro-Mark One (now operating as direcTEL)	240,000	Grant		100%	1994
ReliaStar	3,500,000	Grant	0	100%	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
Souris Basin Planning Council	135,000	Grant	375,000	26%	1995
	25,000	Grant	500,000	5%	1996
	75,000	Grant	500,000	13.00%	1999
Sykes Enterprises, Inc.	2,000,000	Grant	2,800,000	49.73%	1996
	670,000	Grant/Infrastructure			
	100,000	Misc.			
Terhorst Manufacturing	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

MOHALL

Mohall Supermarkets	5,000	Grant	207,350	2.00%	1998
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NEW TOWN

Northrop Grumman Corporation	92,900	Grant	57,100	62.00%	1999
Symbiotic Lab/ <i>CLOSED</i>	4,000	Grant	55,150	6.76%	1996

NEWBURG

Souris River Grain Cooperative	5,000	Grant	1,059,000	0.47%	1999
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NOONAN

Hyper Corporation (now known as NW Telephonics)	2,500	Grant	7,500	25.00%	1997
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BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
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
	15,000	Grant	168,000	15.15%	1999
	15,000	Loan			
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
SHERWOOD					
Sherwood Jack and Jill Store	5,500	Grant	159,500	3.33%	1999
STANLEY					
Veteran's Home (<i>Stanley EDC</i>) / Withdrawn After Approval					
VALLEY CITY					
Heartland Products, Inc.	30,000	Loan	505,000	9.82%	1994
VELVA					
Velva Area Economic Development Corporation	10,000	Grant	30,000	25.00%	1999

BUSINESS (APPLICANT)	AMOUNT OF FUNDS APPROVED	TYPES OF FUNDS	OTHER FUNDS	MAGIC FUND'S % OF TOTAL INVESTMENT	YEAR FUNDING APPROVED
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WATFORD CITY

AmeriTech GIS, LLC	\$20,000	Grant	\$412,000	5.63%	1999
Cross Consulting Group	40,000	Loan Guarantee	565,000	6.61%	1999
Impact Telemarketing	20,000	Loan Guarantee	244,000	7.58%	1996

WESTHOPE

Deva Lifewear (Westhope EDC)	4,000	Interest Buydown	4,000	50.00%	1996
	25,000	Stock Purchase	365,000	6.41%	1999

WILDROSE

Wildrose Grocery Store (Wildrose EDC)	5,000	Grant	41,777	10.69%	1995
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ZAP

Western Munitions, Inc. (Mercer-Oliver EDC) / CLOSED	65,000	Loan	1,725,000	3.63%	1995
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MAGIC FUND INVESTED	OTHER PROJECT FUNDS	MAGIC FUND'S % OF TOTAL INVESTED
TOTAL RURAL FUNDED:	\$1,359,816	6.39%
TOTAL MINOT FUNDED:	16,456,179	20.08%
GRAND TOTAL (1994-1999):	\$17,815,995	17.26%

APPENDIX B

EMPLOYER'S ACTUAL and PROJECTED FULL-TIME EQUIVALENT (FTE) JOBS CREATED/RETAINED:

BUSINESS (APPLICANT)	1999 ACTUAL FTE	1999 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			
Great Plains Development, Inc. (formerly Dakota Dev.)	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>)	No Response	2.00	2.00
BUTTE			
Mother of Eight Designs	4.00	4.00	10.00
CARPIO			
North Central Cattle Feeders Cooperative / CLOSED	0.25	13.00	13.00
CROSBY			
Crosby Self Serve (<i>Crosby Economic Development</i>)	7.75	6.00	6.00
Superior Grains	10.00	1.00	11.00
FESSENDEN			
Great Plains Development, Inc. (formerly Dakota Dev.)	46.25	41.00	41.00
GARRISON			
Great Plains Development, Inc. (formerly Dakota Dev.)	42.25	36.00	44.00
Lake Road Auto Care	1.00	1.00	2.00
GLENBURN			
Heartland Café (<i>Glenburn CDC</i>)	1.00	2.50	2.50
GRANVILLE			
Shave & A Haircut (<i>Granville EDC</i>) / CLOSED	0.00	0.00	0.00
HARVEY			
NuGrain Products Co./ CLOSED	0.00	0.00	0.00
TJ Manufacturing / CLOSED	0.00	0.00	0.00

BUSINESS (APPLICANT)	1999 ACTUAL FTE	1999 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

Commercial Group West	3.00	3.00	50.00
Creative Industries	12.00	12.00	21.00
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>)	12.25	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

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. / CLOSED	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
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./ CLOSED	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
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

BUSINESS (APPLICANT)	1999 ACTUAL FTE	1999 PROJECTED FTE	FUTURE PROJECTED FTE
Minot State University	687.00	654.00	654.00
Minot Vocational Adjustment Workshop	309.75	38.00	38.00
MLT/Northwest Airlines	150.00	150.00	600.00
Monarch Products	22.25	19.00	19.00
Network Health Services	92.00	32.00	100.00
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
ReliaStar	330.00	450.00	450.00
Rice Lake Products	1.00	9.00	9.00
Scherr's Cabinet & Doors, Inc.	18.00	5.00	5.00
Souris Basin Planning Council	0.00	0.00	0.00
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			
Mohall Super Valu	11.00	5.00	5.00
NEW TOWN			
Symbiotic Labs/ CLOSED	0.00	0.00	0.00
Northrop Grumman Corporation	98.00	49.00	80.00
NEWBURG			
Souris River Grain Cooperative	18.00	19.00	23.00
NOONAN			
Hyper Corporation (<i>now known as NW Telephonics</i>)	12.00	8.00	13.00
POWERS LAKE			
NW Veterinary Services (<i>Powers Lake Community Dev.</i>)	4.75	8.00	8.00
RAY			
Medical Arts Press Project	17.00	12.00	100.00
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>)	1.00	1.00	1.00
SHERWOOD			
Sherwood Jack and Jill Store	4.25	3.50	3.50

BUSINESS (APPLICANT)	1999 ACTUAL FTE	1999 PROJECTED FTE	FUTURE PROJECTED FTE
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VALLEY CITY

Heartland Products, Inc.	6.50	27.00	27.00
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VELVA

Velva Area EDC	0.00	0.00	0.00
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WATFORD CITY

AmeriTech GIS, LLC	8.00	8.00	19.00
Cross Consulting Group	6.00	6.00	36.00
Impact Telemarketing	14.50	36.50	37.00

WESTHOPE

Deva Lifewear (Westhope EDC)	23.00	7.00	20.00
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WILDROSE

Wildrose Grocery Store (Wildrose EDC)	2.75	3.00	3.00
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ZAP

Western Munitions , Inc. (Mercer-Oliver EDC) / CLOSED	0.00	0.00	0.00
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TOTAL RURAL: 1110.25 908.00

TOTAL MINOT: 2802.25 2452.00

GRAND TOTAL: 3912.50 3360.00

% OF PROJECTED JOBS THAT WERE CREATED OR RETAINED	116%
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% OF ACTUAL JOBS THAT ARE RURAL	28%
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% OF RURAL JOBS THAT WERE CREATED OR RETAINED	122%
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% OF ACTUAL JOBS THAT ARE IN MINOT	72%
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% OF MINOT JOBS THAT WERE CREATED OR RETAINED	114%
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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	1999 MARKETING MATCH	1999 COMMUNITY MATCH	1999 USE OF FUNDS	
Alexander	C	\$1,000	\$1,000	Complete rebuild of "Welcome to Alexander" signs on both ends of town and buying of service signs to tell of businesses we have in town.
Anamoose	B	1,500		(Gave no response to this item)
Berthold	A	1,500	2,000	Used for Berthold Café, community highway sign, and remodeling of a daycare center.
Beulah	C	1,500	4,500	Brochures, printed material; business development contacts.
Bottineau	B	1,750	128,000	Funds were used to offset \$14,500 in grant dollars associated in promoting Bottineau, and \$113,500 in loans to area businesses. Total new/retained jobs: 41.
Bowbells	B	1,250	1,250	The corporation used the funds to purchase an empty lot in Bowbells and then leased to the Crosby Hospital, and a mobile home purchased that is being used as a rural health clinic.
Burlington	A	2,000	2,000	Advertising and promoting the Burlington area; attempting to attract a new business to Burlington; attempting to sell development land that the development corporation owns.
Butte	B	1,500	1,500	Was given to the EDC to find a business to purchase or use school building, so jobs can be created in town. Letters were sent, a web page was made, and plans are to advertise in newspapers.
Carpio	A	1,500		(Failed to report at time of going to Press.)
Coleharbor	A	1,500	521	Plexiglass splash guard for School Bell display. New computer for city business.
Columbus	C	1,000	2,394	Cleaning and jetting the city's main sewer lines.
Crosby	C	1,500	1,500	The Crosby Area Chamber ran a community marketing campaign that included print advertising promoting the business services available in the community and an update of the full-color community brochure.
Drake	A	1,500	1,500	Funds were used to run the children's summer recreational program. This includes baseball, swimming, equipment and payment for use of a bus.
Esmond	C	1,000	100	Advertise community. Helping wildlife park to help with tourism. Help people check things for business.
Garrison	A	2,000	2,000	Promotional video of city of Garrison and updated visitor maps.

COMMUNITY Miles from Minot: A: 0 to 60 miles away B: 61 to 90 miles away C: 91 miles or more away	1999 MARKETING MATCH	1999 COMMUNITY MATCH	1999 USE OF FUNDS	
Glenburn	A	\$1,500	\$1,500	Funds were used to partition and remodel Glenburn Café building.
Granville	A	1,500	1,500	New city brochures, postage for mailings to promote the city, advertising for community customer appreciation days and other advertising for different events, McGillicuddy days, etc.
Grenora	C	1,000	1,000	Promoted community bowling alley; had a 33% increase in bowlers which kept the bowling alley open. Funds were also used to help bring a greenhouse business to Grenora.
Harvey	B	1,750	1,750	Marketing and signs.
Hazen	C	1,500		(Failed to report at time of going to Press.)
Karlsruhe	A	1,250		1999 funds have not yet been spent because the project we wish to use it for hasn't happened yet. We wish to shingle the roof of the city-owned school in the hope of getting some business into it. The school is closed.
Kenmare	A	2,000	5,400	Part-time director and office expenses.
Lansford	A	1,500	1,500	Advertising.
Leeds	C	1,250	1,250	Developed website: LeedsND.com
Lignite	B	1,000		(Failed to report at time of going to Press.)
Maddock	C	1,250	1,250	Development and operation of our two websites, plus marketing of the new Maddock Business and Technology Center.
Makoti	A	1,500	1,880	Advertising and local promotions. Purchased large arrow signs for the café. Business retention.
Max	A	1,500	2,000	Promote and sustain the grocery store. A bakery was added which was a great asset to the store.
Mohall	A	1,750	1,750	Economic development. Wage to executive director, Mohall economic development office.
Newburg	A	1,500	2,000	Buying of a house to be rented by hunters.
New Town	B	1,750	1,750	Promotional costs for REC/Dept of Tourism vacation guide and Sakakawea Country tourism guide. Web site development and maintenance for N.T. Chamber and television promotional advertisements.
Parshall	A	1,750		(Failed to report at time of going to Press.)
Pick City	B	1,250	7,200	Cemented the City Hall parking lot. Are now able to have street dances and other functions in front of Hall.
Portal	C	1,000	500	Set-up, design, domain, fees for website. Project was completed Nov. 1999.
Powers Lake	B	1,250	1,250	N.W. Kid Fishing Derby, Christmas Promo, Lake projects.

COMMUNITY Miles from Minot: A. 0 to 60 miles away. B. 61 to 90 miles away. C. 91 miles or more away.	1999 MARKETING MATCH	1999 COMMUNITY MATCH	1999 USE OF FUNDS
	1999 USE OF FUNDS		

Ray	C	\$1,250	\$1,250	Used for rent allowance to entice Medical Arts Press to move into Ray Mall. Renovated 5 units with assistance of other funds. Presently, MAPS is expanding.
Rugby	A	2,000	2,500	Tourism promotion which included "welcome pennants" which cost in excess of \$5,000.
Sawyer	A	1,500		(Failed to report at time of going to Press.)
Sherwood	B	1,250	1,250	Matching funds went to the Border Saddle Club to help refurbish arena.
Stanley	A	2,000	2,000	Fund Board executive director to make sure all contacts and correspondence and meetings are adequately handled.
Stanton	B	1,500	1,500	Towards the purchase of a fish cleaning station.
Tioga	B	1,750	1,750	Building and promotion of Tioga website. Advertising of area events. Going Places Magazine article.
Towner	A	1,750	1,750	Signs for city. Search for owner/operators of both restaurants in Towner.
Turtle Lake	A	1,500	1,500	Update website. New community billboard sign. Advertising for Calf Feeder Show.
Velva	A	1,750	1,750	Website "www.velva.net" and Velva brochures; advertising.
Watford City	C	1,500	1,500	Recruitment campaign and incentives for information technology companies.
Westhope	B	1,750	3,800	Economic development; marketing.

GRAND TOTAL \$ 70,250 \$ 202,296