

MAGIC FUND YEAR END REPORT

***FOR THE PERIOD
JULY 1990 - DECEMBER 1991***

**COMPILED BY: MINOT STATE UNIVERSITY'S
BUSINESS AND COMMUNITY ASSISTANCE CENTER**

MARCH 13, 1992

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EXECUTIVE SUMMARY:

The MAGIC Fund General Policy Guidelines that were approved by the Minot City Council on August 6, 1990, require an annual report of the activities of the MAGIC Fund. The MAGIC Fund Committee has contracted with the Business and Community Assistance Center for compilation of this report as of the end of each calendar year. The BCAC wishes to thank the Minot City Manager's Office, the Minot City Finance Director, and the staff of the Minot Area Development Corporation for their help in formatting and compiling this first year report. The following is a summary of this year's report.

PROPOSALS AND APPLICATIONS PROCESSED:

During this reporting period, the MAGIC Fund processed a total of 61 proposals from candidates requesting business funding assistance.

- 48 of the proposals were approved and the individuals were invited to submit applications for funding.

- 13 of the proposals were disapproved or failed for lack of an acceptance motion. A list of these proposals has been included in the report as required by MAGIC Fund Policy. This list is contained on page 2.

The 48 application invitations resulted in submission of 34 applications for job creation project funding.

- 32 of the applications were approved.

- 2 applications were disapproved. A list of the disapproved applications has been included in this report as required by MAGIC Fund policy. This list is contained on page 6.

There were 12 additional projects that requested funding for feasibility studies, training workshops and conferences, and construction of a community incubator facility. Only one of these requests was disapproved. That request is detailed on page 7.

RURAL COMMUNITY MARKETING ASSISTANCE:

During this period, The MAGIC Fund contributed to the economic development efforts of 20 rural communities by providing from \$500 to \$1,500 directly to each of their marketing budgets. The MAGIC Fund contracts for these funds required that rural communities match the MAGIC Fund's contribution dollar for dollar. Because of the wide variety of marketing uses the communities found for these funds, a detailed report has been included on pages 8 through 11. It should be noted that 28 rural communities have requested inclusion in the 1992 marketing match program. This is a 40% increase in the number of rural communities participating.

-The 28 communities participating in 1992 have asked for \$54,300 in MAGIC Fund match.

-Towner, which participated in 1991, has no project for 1992, and therefore does not desire 1992 participation.

JOB CREATION PROJECT ASSISTANCE:

During the first 18 months of existence, the MAGIC Fund has provided direct job creation project assistance to 10 communities. A complete list of projects listed by community is contained on pages 4-5.

-A total of \$1,451,130 was obligated to 18 job creation projects in the immediate Minot area.

-A total of \$279,632 was obligated to 12 projects in 9 rural communities.

JOB CREATION EXPECTATIONS:

Applicants who received MAGIC Fund funding were required to indicate the number of jobs that would be created as the result of the funded business project. A list of individual projects and the number of jobs intended by each business funded is on pages 12 and 13. The following summary is provided:

-Rural 12 projects:

--Businesses receiving the \$279,632 in funding obligation stated their intention to create 111 FTE Jobs not-later-than 1993.

---Computed MAGIC Fund rural job creation cost is \$2,519 per job.

-Immediate Minot area:

--Businesses receiving the \$1,316,130 in funding obligation stated their intention to create or retain 560 FTE jobs not-later-than 1994.

---Computed MAGIC Fund Minot immediate area job creation cost is \$2,350 per job.

-Total MAGIC Fund expected job creation cost for this period is \$2,378 per job.

-These figures do not include the \$135,000 Small Business Planning Council loan pool grant. (See Limitation 3, page 20)

EMPLOYER'S INTENTION VERSUS ACTUAL JOBS CREATED/RETAINED:

An analysis of the funding recipient's intention to create jobs and the jobs that they actually created or retained is contained on pages 14 and 15. Chart One below summarizes the Full-time Equivalent (FTE) jobs created/retained, and Chart Two summarizes the wage levels created. Chart Three indicates a summary of the computed financial impact (Primary) of the jobs/wages created. It should be noted that some companies received funding late in this reporting period, and therefore could not initiate the jobs they had intended in 1991.

-Chart One: Jobs Created/Retained Summary:

| <u>AREA</u> | <u>INTENDED FTE JOBS</u> | <u>ACTUAL FTE JOBS</u> | <u>+/-</u> | <u>SUCCESS %</u> |
|---------------|------------------------------|----------------------------|------------|----------------------|
| Rural | 40 | 32 | - 8 | 80.0 |
| Minot | 281 | 259 | -22 | 92.2 |
| TOTAL: | <u>321</u> | <u>291</u> | <u>-30</u> | <u>90.7</u> |

-Chart Two: Wages Created/Retained Summary:

| <u>AREA</u> | <u>INTENDED WAGE AVERAGE</u> | <u>ACTUAL WAGE AVERAGE</u> | <u>SUCCESS PERCENT</u> |
|--------------------------|----------------------------------|--------------------------------|----------------------------|
| Rural | \$6.23 | \$5.56 | 89.2 |
| Minot | 6.98 | 6.77 | 97.0 |
| AVERAGE FOR AREA: | <u>\$6.89</u> | <u>\$6.65</u> | <u>96.5</u> |

-Chart Three: Financial Impact of Jobs/Wages (Computed for 1 work year)

| <u>AREA</u> | <u>CREATED JOBS</u> | <u>AVERAGE WAGE</u> | <u>COMPUTED IMPACT</u> |
|---------------------------|-------------------------|-------------------------|----------------------------|
| Rural | 32 | \$5.56 | \$ 370,074 |
| Minot | 258 | \$6.77 | \$3,633,053 |
| TOTAL WAGE IMPACT: | | | \$4,003,127 |

FINANCIAL PACKAGING:

The following chart summarizes how the MAGIC Fund Committee was able to share the risk of job development by leveraging available fund monies for the projects approved.

| <u>AREA</u> | <u>MAGIC FUND CONTRIBUTION</u> | <u>FUNDS FROM OTHER SOURCES</u> | <u>LEVERAGE RATIO</u> |
|---------------|------------------------------------|-------------------------------------|---------------------------|
| Rural | \$ 279,632 | \$2,026,152 | \$1 To \$7.25 |
| Minot | \$1,451,130 | \$8,145,801 | \$1 To \$5.61 |
| TOTAL: | \$1,730,762 | \$10,171,953 | \$1 TO \$5.88 |

FOLLOW-UP:

As required by MAGIC Fund policy, a system of business follow-up was initiated during this period--a "Business Friends" program. This program was undertaken in concert with The Minot Area Development Corporation and The Minot State University/Business and Community Assistance Center. Several community meetings were held to solicit volunteers for assignment to these very important duties. After fielding an initial cadre of 60 volunteers, a training workshop was held and members were matched to MAGIC Fund funded organizations. The names, and company matches of the current group of Business Friends is contained on page 19.

SUMMARY:

The most significant figures that emerge from this report are:

1. Participation in the Rural Community Marketing Program is up by 40%.
2. The MAGIC Fund per-job creation costs for Rural and Minot projects are comparable at \$2,519 and \$2,378, respectively.

3. MAGIC Fund Recipients have delivered 90.3% of the jobs promised within this reporting period.
4. The average wage of those jobs created/retained during this period was \$6.65, which represents 96.5% of the levels promised.
5. On an average, the MAGIC Fund Committee was able to match every \$1.00 obligated on job development projects with \$5.88 of Federal, State, Venture, Community, Bank, or Equity money.
6. For every \$1.00 in MAGIC Fund obligation provided, \$2.51 in actual wages were created.
7. Of the \$1,730,762 in MAGIC Funds obligated, \$804,990 were obligated in a manner which will require return of these funds by the business during the life of the MAGIC Fund. The rate of return of these funds will be the subject of an added portion of this report for future years.
8. A "Business Friends" concept was organized. Sixty volunteers were fielded and trained. Visitations are scheduled to begin in 1992.
9. There were no business failures among funding recipients during this period.

The following pages detail the information used in preparation of the Executive Summary.

PART I - PROPOSAL SUMMARY**A. PROPOSALS PROCESSED**

| <u>MONTH</u> | <u>PROPOSALS PROCESSED</u> | <u>PROPOSALS DISAPPROVED</u> | <u>APPLICATIONS INVITED</u> |
|---------------|--------------------------------|----------------------------------|---------------------------------|
| AUG 90 | 8 | 2 | 6 |
| SEP 90 | 6 | 3 | 3 |
| OCT 90 | 0 | 0 | 0 |
| NOV 90 | 0 | 0 | 0 |
| DEC 90 | 0 | 0 | 0 |
| JAN 91 | 8 | 4 | 4 |
| FEB 91 | 1 | 0 | 1 |
| MAR 91 | 2 | 0 | 2 |
| APR 91 | 0 | 0 | 0 |
| MAY 91 | 0 | 0 | 0 |
| JUN 91 | 8 | 1 | 7 |
| JUL 91 | 2 | 0 | 2 |
| AUG 91 | 7 | 0 | 7 |
| SEP 91 | 3 | 0 | 3 |
| OCT 91 | 10 | 1 | 9 |
| NOV 91 | 2 | 0 | 2 |
| DEC 91 | 4 | 2 | 2 |
| TOTAL: | 61 | 13 | 48 |

B. PROPOSALS DISAPPROVED/RETURNED WITHOUT ACTION

| <u>COMPANY</u> | <u>AMOUNT REQUESTED</u> | <u>REASON FOR DISAPPROVAL</u> |
|--|-----------------------------|---|
| DAKOTA BRAND MFG. | \$ 65,000 | NEED DETAILS ON MGMT. & OUTSIDE INVESTORS |
| INTERNATIONAL TRADE DEVELOPMENT SERVICE | 5,000 | NO EQUITY POSITION BY OWNERS |
| FORS-TEL | 10,000 | RETAIL TYPE PRODUCT COMPETITION ISSUE |
| RAILROAD MUSEUM | 240,000 | DID NOT MEET MAGIC FUND CRITERIA |
| FURBALL FACTORY | 25,000 | INSUFFICIENT EQUITY |
| MCKENZIE COUNTY JOB DEVELOPMENT | 50,000 | DID NOT FIT WITHIN THE ESTABLISHED GUIDELINES |
| ESLINGER MOTORS | 100,000 | FAILED FOR LACK OF MOTION |
| MINOT WRECKING | 175,000 | FAILED FOR LACK OF MOTION |
| MERCER ENGINEERING | 37,000 | COMPETITION TO OTHER BUSINESSES - FAILED FOR LACK OF MOTION |
| ROLETTE THEATER | 10,000 | ENTERTAINMENT VENTURES NOT WITHIN GUIDELINES |
| VALLEYVIEW FALLS | 14,166 | ENTERTAINMENT VENTURES NOT WITHIN GUIDELINES |
| QUALITY PORK COOP | 75,000 | RETURNED FOR CLARIFICATION OF IMPACT ON NON-MEMBERS |
| BEAR CONTRACTING | UNDETERMINED | REFERRED TO VENTURE CAPITAL GROUP |
| GENERATION SYSTEMS | 60,000 | RETAIL TYPE BUSINESS |
| SOURIS BASIN EMPLOYEES | 15,000 | FAILED FOR LACK OF MOTION |

PART II - APPLICATION SUMMARY**A. APPLICATIONS PROCESSED**

| <u>MONTH</u> | <u>APPLICATION PROCESSED</u> | <u>APPLICATION DISAPPROVED</u> | <u>APPLICATION APPROVED</u> |
|---------------|----------------------------------|------------------------------------|---------------------------------|
| AUG 90 | 0 | 0 | 0 |
| SEP 90 | 2 | 0 | 2 |
| OCT 90 | 0 | 0 | 0 |
| NOV 90 | 0 | 0 | 0 |
| DEC 90 | 2 | 0 | 2 |
| JAN 91 | 1 | 0 | 1 |
| FEB 91 | 0 | 0 | 0 |
| MAR 91 | 1 | 0 | 1 |
| APR 91 | 0 | 0 | 0 |
| MAY 91 | 1 | 0 | 1 |
| JUN 91 | 5 | 0 | 5 |
| JUL 91 | 2 | 1 | 1 |
| AUG 91 | 3 | 0 | 3 |
| SEP 91 | 7 | 0 | 7 |
| OCT 91 | 4 | 0 | 4 |
| NOV 91 | 5 | 1 | 4 |
| DEC 91 | 1 | 0 | 1 |
| TOTAL: | 34 | 2 | 32 |

B. COMMUNITY PROJECTS FUNDED BY THE MAGIC FUND

| <u>COMMUNITY/COMPANY</u> | <u>FUNDS APPROVED/ OBLIGATED</u> | <u>REMARKS</u> |
|--|--------------------------------------|-----------------------|
| BERTHOLD PATCHWORK ENTERPRISES | \$10,000 | LOAN GUARANTEE |
| BOTTINEAU RODEO SHOP CHAPS | 10,000 | INTEREST BUY DOWN |
| BOTTINEAU WINTER PARK | 5,000 | GRANT |
| DES LACS AG-MATE I | 20,000 | LOAN GUARANTEE |
| AG-MATE II | 60,000 | LOAN GUARANTEE |
| KENMARE CREATIVE INDUSTRIES | 10,000 | INTEREST BUY DOWN |
| | 21,180 | ON LINE OF CREDIT |
| | | INTEREST BUY DOWN |
| KENMARE DEVELOPMENT | 68,000 | 5 YR LOAN (PRO ENTRY) |
| | 15,000 | GRANT (PRO ENTRY) |
| LANSFORD LANSFORD BETTERMENT | 1,010 | GRANT (BEAUTY SHOP) |
| M. GATES MFG. | 20,000 | LOAN GUARANTEE |
| MAX S & H MARKET | 15,000 | NO INTEREST LOAN |
| MINOT GOLD STAR PARTS | 18,312 | INTEREST BUY DOWN |
| DD SCHMIDT | 20,000 | LOAN |
| MILLER SHEET METAL | 3,900 | INTEREST BUY DOWN |
| DAKOTA CUSTOM FURNITURE | 10,000 | LOAN |
| CHOICE HOTELS | 400,000 | GRANT |
| | 100,000 | REC LOAN GUARANTEE |
| PRICE'S JACKETS | 35,415 | INTEREST BUY DOWN |
| BEHREN'S CONSTRUCTION | 35,000 | LOAN GUARANTEE |
| SCHERR'S CABINET | 7,488 | INTEREST BUY DOWN |
| DIVERSIFIED IND. | 87,000 | RENT SUBSIDY |
| | 13,000 | PACE INTER. BUY DOWN |

B. COMMUNITY PROJECTS FUNDED BY THE MAGIC FUND (CONTINUED)

| <u>COMMUNITY/COMPANY</u> | <u>FUNDS APPROVED/ OBLIGATED</u> | <u>REMARKS</u> |
|--|--------------------------------------|----------------------------------|
| MINOT (CONTINUED) | | |
| SOARING EAGLE | 76,800 | RENT SUBSIDY |
| | 50,000 | LOAN GUARANTEE |
| CENTRAL MACHINE | 39,803 | INTEREST BUY DOWN |
| | 7,000 | LOAN |
| | 25,000 | LOAN GUARANTEE |
| TERHORST | 34,805 | INTEREST BUY DOWN |
| MINOT REST. SUPPLY | 10,246 | INTEREST BUY DOWN |
| PRO-ENTRY | 30,000 | SUBORDINATED LOAN |
| | 20,000 | PACE INTEREST BUY DOWN |
| RFI, INC. | 19,336 | INTEREST BUY DOWN |
| | 21,500 | RELOCATION ASSISTANCE GRANT |
| BOBCO | 30,000 | RENT SUBSIDY |
| | 20,000 | RELOCATION GRANT |
| | 1,525 | BUSINESS PLAN GRANT |
| FJELD MANUFACTURING | 50,000 | LOAN GUARANTEE X |
| ORAL LOGIC | 150,000 | 5 YEAR LOAN |
| SOURIS BASIN | 135,000 | GRANT - REVOLVING X LOAN FUND |
| TOWNER | | |
| KELLY PUBLISHING | 7,500 | GRANT |
| | 2,550 | PACE INTER. BUY DOWN |
| TURTLE LAKE | | |
| JESZ RECYCLING | 4,000 | GRANT |
| WATFORD CITY | | |
| DBK, INC. | 10,392 | INTEREST BUY DOWN |
| TOTAL MINOT FUNDED: \$1,451,130 | | |
| TOTAL RURAL FUNDED: \$ 279,632 | | |

C. APPLICATIONS DISAPPROVED BY MAGIC FUND

| <u>COMPANY</u> | <u>AMOUNT REQUESTED</u> | <u>REASON FOR DISAPPROVAL</u> |
|---------------------|-----------------------------|--|
| Furnipa | \$18,750 | NO COMMITMENT FROM FINANCIAL INSTITUTIONS |
| Aggregate Computers | 30,000 | COMPETITION-INCOME TAX PREPARATION |

D. MISCELLANEOUS PROJECTS FUNDED

| <u>FACILITY</u> | <u>PROJECT</u> | <u>AMOUNT</u> | <u>TOTAL PROJECT</u> |
|------------------------------|---|----------------------|--------------------------|
| JOINT STUDIES | SEMINAR | \$ 500 | \$ 500 |
| DAIRY RETENTION | MARKETING | 5,000 | 80,750 |
| MSU/BCAC | RURAL DEVELOPMENT WORKSHOP | 2,000 | 4,000 |
| SAWYER BEEF | SLAUGHTER PLANT FEASIBILITY STUDY | 2,500 | 25,000 |
| RYAN'S YOGURT | FEASIBILITY STUDY | 1,500 | 15,750 |
| MSU/BCAC | COMMUNITY INCUBATOR | 5,625 | 22,490 |
| NW BIRDSEED | FEASIBILITY STUDY | 2,000 | 20,000 |
| MINOT CHAMBER OF COMMERCE | HORSE RACING FEASIBILITY STUDY | 2,000 | 6,950 |
| DAKOTA CATALYST | FEASIBILITY STUDY | 20,000 (NOT USED) | 20,000 |
| AEROSPACE CONFERENCE | MARKETING | 6,000 | 8,000 |

**E. MISCELLANEOUS PROJECTS
NOT FUNDED**

CVC BROILER PRODUCTION
FEASIBILITY STUDY

REASON

DID NOT FIT WITHIN THE
MAGIC FUND GUIDELINES

F. PROJECTS WITHDRAWN IN PROCESS

A-Just-A-Table
Dakota Catalyst

**PART III - COMMUNITIES WITH CITY COUNCIL APPROVED
ASSISTANCE FROM THE MAGIC FUND (M=MAGIC FUND/
C=COMMUNITY)**

A. MARKETING CONTRACTS

| <u>COMMUNITY</u> | <u>1991 FUNDS AMOUNT</u> | <u>REMARKS</u> |
|------------------|------------------------------|--|
| ALEXANDER | \$1,500 | Advertise, Relocation of company, Trade shows, Promotion of Alexander JOB IMPACT: not stated 1992 MATCH REQUESTED: \$1,500 |
| BERTHOLD | 1,500 | Promo. Video M: \$1,500 C: \$1,603 JOB IMPACT: not stated 1992 MATCH REQUESTED: \$2,500 |
| BOTTINEAU | 1,500 | Pro-Entry proposal Dakota Optical Dentist Tech-Crete in Bottineau Pamida Center Wildlife Museum Veterinarian Replacement Water slide proposal BOTT-500 fund raising Highway sign Send information Attend meetings Follow-up projects JOB IMPACT: 84 JOBS 1992 MATCH REQUESTED: \$2,500 |
| BOWBELLS | 1,500 | Highway signs M: \$1,491 C: 1,492 JOB IMPACT: not stated 1992 MATCH REQUESTED: \$1,000 |
| BURLINGTON | 500 | Have not used funds JOB IMPACT: not stated 1992 MATCH REQUESTED: \$800 |
| COLEHARBOR | 0 | 1992 MATCH REQUESTED: \$2,000 |

A. MARKETING CONTRACTS (CONTINUED)

| <u>COMMUNITY</u> | <u>1991 FUNDS AMOUNT</u> | <u>REMARKS</u> |
|------------------|------------------------------|---|
| CROSBY | \$1,500 | Quality Pork M: \$200 C: \$250,000 Microbusiness alliance M: \$500 C: \$500 Alternate Crop Research M: \$200 C: \$800 Community Video M: \$200 C: \$1,150 Promotion & Advertising M: \$400 C: \$400 JOB IMPACT: not stated 1992 MATCH REQUESTED: \$4,500 |
| GARRISON | 1,500 | Membership Drive M: \$500 C: \$500 Bio-Sunn Corp. M: \$1,000 C: \$2,000 City Video C: \$1,000 JOB IMPACT: 80 Jobs expected at Bio-Sunn 1992 MATCH REQUESTED: \$2,500 |
| GLENBURN | 1,500 | Highway sign M: \$800 C: \$800 Brochure of city M: \$600 C: \$600 Community Center sign M: \$100 C: \$125 JOB IMPACT: not stated 1992 MATCH REQUESTED: \$1,500 |
| HARVEY | 1,500 | Harvey area promotional guide M: \$1,500 C: \$1,500 JOB IMPACT: 0 1992 MATCH REQUESTED: \$2,000 |
| HAZEN | 0 | 1992 MATCH REQUESTED: \$1,500 |
| KENMARE | 1,500 | Saskatchewan mailout M: \$400 C: \$400 Community profile booklet M: \$100 C: \$100 Pro-Entry M: \$1,000 C: \$6500 JOB IMPACT: 15-40 1992 MATCH REQUESTED: \$2,500 |

A. MARKETING CONTRACTS (CONTINUED)

| 1991 FUNDS | | 1992 MATCH REQUESTED: | REMARKS |
|------------|-----------|--|---------|
| AMOUNT | COMMUNITY | | |
| \$1,500 | LANSFORD | 1992 MATCH REQUESTED: \$1,500 JOB IMPACT: not stated CITY PAMPHLET HIGHWAY SIGN | |
| 0 | LEEDS | 1992 MATCH REQUESTED: \$2,000 | |
| 1,500 | MAKOTI | Brochure Funds not used JOB IMPACT: not stated 1992 MATCH REQUESTED: \$1,500 | |
| 1,500 | MAX | Brochure M: \$375 C: \$1,125 Remodel Grocery Store M: \$294 Grocery Store Travel Expense M: \$320 C: \$320 Attract Pro-Entry M: \$511 JOB IMPACT: 1 & 25 anticipated 1992 MATCH REQUESTED: \$2,500 | |
| 0 | NEWBURG | 1992 MATCH REQUESTED: \$2,000 | |
| 1,500 | NEW TOWN | New Town promotional booklet M: \$1,500 C: \$1,500 JOB IMPACT: not stated 1992 MATCH REQUESTED: \$1,500 | |
| 0 | PARSHALL | 1992 MATCH REQUESTED: \$2,000 | |
| 0 | RAY | 1992 MATCH REQUESTED: \$ 500 | |
| 0 | RIVERDALE | 1992 MATCH REQUESTED: \$5,000 | |
| 1,500 | RUGBY | Community profile C: \$398 M: \$398 Arden Kitchens frozen foods C: \$237 M: \$237 Community slide series M: \$152 C: \$152 Trips to bring MFG people to Rugby M: \$713 C: \$786 JOB IMPACT: not stated 1992 MATCH REQUESTED: \$1,500 | |

A. MARKETING CONTRACTS (CONTINUED)

| 1991 FUNDS | AMOUNT | REMARKS |
|--------------|---------|--|
| SAWYER | \$1,500 | Advertising trailer park Road signs Start Beutician shop Construction company move into building KBK Enterprises interested in Sawyer Brochure of town JOB IMPACT: not stated 1992 MATCH REQUESTED: \$2,000 |
| STANLEY | 1,500 | Community Coordinator M: \$400 C: \$400 Community Profile M: \$248 C: \$248 Pro-Tech C: \$10,000 reserved Crop Insurance office C: \$2,000 reserved JOB IMPACT: 1 retained 3-10 created 1992 MATCH REQUESTED: \$2,000 |
| TOWNER | 1,500 | Kelly Publishing M: \$1,500 C: \$1,500 JOB IMPACT: 6 jobs 1992 MATCH REQUESTED: \$ 0 |
| TURTLE LAKE | 1,500 | Turtle Lake promotional booklets Advertised Turtle Lake's hunting, fishing, wholesome lifestyle, & USA championship Turtle Races JOB IMPACT: not stated 1992 MATCH REQUESTED: \$1,500 |
| UNDERWOOD | 0 | 1992 MATCH REQUESTED: \$ 500 |
| WATFORD CITY | 1,500 | Printed materials, advertised nationally, developed and promoted reward system, prospective clients to town, video. JOB IMPACT: not stated 1992 MATCH REQUESTED: \$1,500 |
| WESTHOPE | 0 | 1992 MATCH REQUESTED: \$2,000 |

PART IV - JOBS CREATED/RETAINED**A. EMPLOYER'S INTENTION (FULL TIME EQUIVALENT)**

| <u>COMMUNITY/COMPANY</u> | <u>JOB TOTAL</u> <u>1991</u> <u>FTE</u> | <u>JOB TOTAL</u> <u>1992</u> <u>FTE</u> | <u>FUTURE JOB</u> <u>FTE</u> | <u>TOTAL</u> <u>YEAR</u> |
|--------------------------|---|---|---------------------------------|-----------------------------|
| <u>BERTHOLD</u> | | | | |
| PATCHWORK | 5 | 5 | 5 | 1991 |
| <u>BOTTINEAU</u> | | | | |
| RODEO CHAPS | 4 | 5 | 5 | 1992 |
| WINTER PARK | 0 | 0 | 0 | 1991 |
| <u>DES LACS</u> | | | | |
| AG-MATE | 11 | 15 | 15 | 1992 |
| <u>KENMARE</u> | | | | |
| CREATIVE IND. | 4 | 4 | 9 | 1992 |
| KENMARE EDC | N/A | 23 | 23 | 1992 |
| <u>LANSFORD</u> | | | | |
| LANSFORD BETTERMENT | 1 | 2 | 2 | 1992 |
| M. GATES | 0 | 2 | 3 | 1993 |
| <u>MAX</u> | | | | |
| S & H MARKET | 1 | 1 | 1 | 1991 |
| <u>MINOT</u> | | | | |
| GOLD STAR PARTS | 3 | 3 | 8 | 1993 |
| DD SCHMIDT | 11 | 14 | 14 | 1992 |
| MILLER SHEET | 2 | 3 | 3 | 1992 |
| DAKOTA CUSTOM | 3 | 6 | 6 | 1992 |
| CHOICE HOTELS | 115 | 150 | 150 | 1992 |
| JACKETS BY PRICE | 3 | 12 | 17 | 1994 |
| BEHERN'S CONST. | 4 | 4 | 4 | 1992 |
| SCHERR'S CABINET | 2 | 2 | 2 | 1993 |
| DIVERSIFIED IND. | 7 | 40 | 52 | 1993 |
| SOARING EAGLE | 43 | 50 | 50 | 1992 |
| CENTRAL MACHINE | 8 | 13 | 16 | 1993 |
| TERHORST | 3 | 3 | 3 | 1991 |
| MINOT REST. SUPPLY | 8 | 8 | 12 | 1993 |
| PRO-ENTRY | 17 | 77 | 77 | 1992 |
| RFI, INC. | 28 | 28 | 28 | 1991 |
| BOBCO | 24 | 24 | 24 | 1991 |
| FJELD MFG. | 0 | 1 | 2 | 1993 |
| ORAL LOGIC | N/A | 45 | 92 | 1993 |

A. EMPLOYER'S INTENTION (CONTINUED)

| <u>COMMUNITY/COMPANY</u> | <u>JOB TOTAL</u> <u>1991</u> <u>FTE</u> | <u>JOB TOTAL</u> <u>1992</u> <u>FTE</u> | <u>FUTURE JOB TOTAL</u> <u>FTE</u> | <u>YEAR</u> |
|--------------------------------------|---|---|---------------------------------------|-------------|
| <u>TOWNER</u> KELLY PUBLISHING | 4 | 5 | 10 | 1993 |
| <u>TURTLE LAKE</u> JESZ RECYCLING | 0 | 13 | 13 | 1992 |
| <u>WATFORD CITY</u> DBK, INC. | 10 | 10 | 25 | 1993 |
| TOTAL: | <u>321</u> | <u>568</u> | <u>671</u> | <u>1994</u> |

B. EMPLOYER'S INTENTION VS. ACTUAL (JOBS CREATED/RETAINED 1991)

| <u>COMMUNITY/COMPANY</u> | 1991 <u>INTENDED</u> <u>FTE</u> | 1991 <u>ACTUAL</u> <u>FTE</u> | <u>DIFFERENCE</u> <u>FTE</u> |
|--------------------------|------------------------------------|----------------------------------|---------------------------------|
| <u>BERTHOLD</u> | | | |
| PATCHWORK | 5 | 5 | 0 |
| <u>BOTTINEAU</u> | | | |
| RODEO. CHAPS | 4 | 3 | -1 |
| BOTTINEAU WINTER PARK | N/A | 0 | 0 |
| <u>DES LACS</u> | | | |
| AG-MATE | 11 | 9 | -2 |
| <u>KENMARE</u> | | | |
| CREATIVE INDUSTRIES* | 4 | 6 | +2 |
| KENMARE DEVELOPMENT | N/A | 0 | 0 |
| <u>LANSFORD</u> | | | |
| LANSFORD BETTERMENT | 1 | 1 | 0 |
| M. GATES MANUFACTURING | 0 | 0 | 0 |
| <u>MAX</u> | | | |
| S & H MARKET | 1 | 1 | 0 |
| <u>MINOT</u> | | | |
| GOLD STAR PARTS* | 3 | 5 | +2 |
| DD SCHMIDT | 11 | 13 | +2 |
| MILLER SHEET | 2 | 1.5 | -.5 |
| DAKOTA CUSTOM | 3 | 0 | -3 |
| CHOICE HOTELS | 115 | 115 | 0 |
| JACKETS BY PRICE* | 3 | 4 | +1 |
| BEHERN'S CONSTRUCTION | 4 | 1 | -3 |
| SCHERR'S CABINET | 2 | 2.5 | +.5 |
| DIVERSIFIED INDUSTRIES | 7 | 17 | +10 |
| SOARING EAGLE* | 43 | 46 | +3 |
| CENTRAL MACHINE* | 8 | 9 | +1 |
| TERHORST | 3 | 3 | 0 |
| MINOT RESTAURANT SUPPLY | 8 | 8 | 0 |
| PRO-ENTRY | 17 | 1 | -16 |
| RFI, INC. | 28 | 27 | -1 |
| BOBCO* | 24 | 4 | -20 |
| FJELD MANUFACTURING | 0 | 0 | 0 |
| ORAL LOGIC* | N/A | 1 | +1 |

B. EMPLOYER'S INTENTION VS. ACTUAL (CONTINUED)

| <u>COMMUNITY/COMPANY</u> | <u>1991 INTENDED FTE</u> | <u>1991 ACTUAL FTE</u> | <u>DIFFERENCE FTE</u> |
|---------------------------------------|------------------------------|----------------------------|---------------------------|
| <u>TOWNER</u> KELLY PUBLISHING | 4 | 4 | 0 |
| <u>TURTLE LAKE</u> JESZ RECYCLING* | 0 | 4 | +4 |
| <u>WATFORD CITY</u> DBK, INC.* | 10 | 0 | -10 |
| TOTAL: | <u>321</u> | <u>291</u> | <u>-30</u> |

SOURCE: NORTH DAKOTA EMPLOYER'S WAGE AND CONTRIBUTION REPORT.

* INDICATES TELEPHONE VERIFICATION. FILING OF JOB SERVICE FORM NDUC-303 WAS NOT CONTRACTUALLY REQUIRED.

PART V - AVERAGE WAGES FOR JOBS CREATED/RETAINED

A. EMPLOYER'S ACTUAL WAGE LEVELS ACHIEVED

1. EMPLOYER'S INTENDED AVERAGE WAGE LEVELS \$6.89
2. EMPLOYER'S ACTUAL AVERAGE WAGE LEVELS \$6.65

B. POTENTIAL COMMUNITY WAGE IMPACT OF VENTURES OVER TWELVE MONTHS

1. RURAL \$370,074 (SALARIES ONLY)
2. MINOT \$3,633,053 (SALARIES ONLY)

PART VI - FINANCIAL PACKAGING REPORT

| <u>COMMUNITY</u> | <u>MAGIC FUNDS USED/OBLIGATED</u> | <u>OTHER FUNDS</u> |
|-------------------------|---------------------------------------|--------------------|
| <u>BERTHOLD</u> | | |
| PATCHWORK | \$ 10,000 | \$ 22,000 |
| <u>BOTTINEAU</u> | | |
| RODEO CHAPS | 10,000 | 60,000 |
| BOTTINEAU WINTER PARK | 5,000 | 29,500 |
| <u>DES LACS</u> | | |
| AG-MATE | 20,000 | 280,800 |
| AG-MATE | 60,000 | 60,000 |
| <u>KENMARE</u> | | |
| CREATIVE INDUSTRIES | 31,180 | 403,440 |
| KENMARE DEVELOPMENT | 83,000 | 30,000 |
| <u>LANSFORD</u> | | |
| LANSFORD BETTERMENT | 1,010 | 2,510 |
| M. GATES | 20,000 | 266,950 |
| <u>MAX</u> | | |
| S & H MARKET | 15,000 | 47,370 |
| <u>MINOT</u> | | |
| GOLD STAR PARTS | 18,312 | 227,907 |
| DD SCHMIDT | 20,000 | 20,000 |
| MILLER SHEET | 3,900 | 133,400 |
| DAKOTA CUSTOM | 10,000 | 200,000 |
| CHOICE HOTELS | 500,000 | 800,000 |
| JACKETS BY PRICE | 35,415 | 200,000 |
| BEHREN'S CONSTRUCTION | 35,000 | 350,000 |
| SCHERR'S CABINET | 7,488 | 35,000 |
| DIVERSIFIED INDUSTRIES | 100,000 | 552,500 |
| SOARING EAGLE | 126,800 | 350,000 |
| CENTRAL MACHINE | 71,803 | 383,000 |
| TERHORST | 34,805 | 353,424 |
| MINOT RESTAURANT SUPPLY | 10,246 | 218,906 |
| PRO-ENTRY | 50,000 | 165,000 |
| RFI, INC. | 40,836 | 1,959,164 |
| BOBCO | 51,525 | 357,500 |
| FJELD MFG. | 50,000 | 90,000 |
| ORAL LOGIC | 150,000 | 1,350,000 |
| SOURIS BASIN | 135,000 | 400,000 |

PART VI - FINANCIAL PACKAGING REPORT (CONTINUED)

| <u>COMMUNITY</u> | <u>MAGIC FUNDS USED/OBLIGATED</u> | <u>OTHER FUNDS</u> |
|--------------------------------------|---------------------------------------|---------------------|
| <u>TOWNER</u> KELLY PUBLISHING | 10,050 | 97,900 |
| <u>TURTLE LAKE</u> JESZ RECYCLING | 4,000 | 68,110 |
| <u>WATFORD CITY</u> DBK, INC. | 10,392 | 657,572 |
| TOTAL: | <u>\$1,730,762</u> | <u>\$10,171,953</u> |

PART VII - BUSINESS FRIENDS PROGRAM

| <u>COMPANY</u> | <u>FRIENDS</u> |
|---------------------------------|--|
| 1. Behren's Construction | Cory Duckworth, Al Gimse |
| 2. Central Pump and Machining | Don Stokke, Dr. Edward Mundy |
| 3. Choice Hotels | Jim Jensen, Ruby Crites |
| 4. Dakota Custom Furniture | Neil Sharpe, Jim Montgomery |
| 5. DD Schmidt Enterprises | George Youngerman, Shelly Weppler |
| 6. Diversified Industries | Ben Tollefson, Clair Watne |
| 7. Gold Star Parts | Mitt Mittelberg, Lynn Aas |
| 8. Jackets By Price | Mark Jantzer, Bob Frantsvog |
| 9. Miller Sheet Metal | Leo Makelky, Glenn Dehlin |
| 10. Minot Restaurant Supply | Warren Allen, Jim Searcy |
| 11. Oral Logic, Inc. | Bob Lamont, Orlan Tollefson |
| 12. Pro-Entry | Tom Seymour, Morrie Broschat |
| 13. RFI, Inc. | Bob Wheeler, John Stewart |
| 14. Scherrr's Cabinet & Drapery | Bruce Peterson, Wes Krucken |
| 15. Soaring Eagle Outerwear | Gordon Emerson, Art Ekblad |
| 16. Terhorst Manufacturing Co. | Bud Olsen, Steve Velk |
| 17. Bobco Manufacturing, Inc. | Jerry Effertz, Dr. George Christensen |
| 18. Fjeld Manufacturing | Bruce Christianson, Rollie Redland |
| 19. Ag-Mate Manufacturing | Gary Walker, Jim Hatlelid |

PART VIII - LIMITATIONS

1. ANY COMPANY THAT WAS CONSIDERED MORE THAN ONCE BY THE MAGIC FUND IS CARRIED IN THIS REPORT BY THE FINAL RESULT OF THE CONSIDERATIONS (I.E.) IF A COMPANY WAS CONSIDERED THREE TIMES AND THE END RESULT WAS APPROVAL OF THE REQUEST, THE COMPANY WAS SHOWN AS APPROVED.
2. BECAUSE OF THE SMALL NUMBER OF PART-TIME JOBS CREATED AT LESS THAN ONE-HALF TIME AND THE PROBLEMS ASSOCIATED WITH QUANTIFYING THEIR FULL-TIME EQUIVALENCY, THESE JOBS HAVE NOT BEEN INCLUDED IN THIS REPORT. THIS LIMITATION AFFECTS 15 PART-TIME POSITIONS AT AN AVERAGE WAGE OF \$6.09 PER HOUR.
3. THE \$135,000 ALLOCATED TO THE SOURIS BASIN REGIONAL PLANNING COUNCIL FOR THE FOUNDATION OF A REVOLVING LOAN POOL HAS NOT BEEN INCLUDED IN THE PER-JOB AND WAGE COST ESTIMATES. THIS OBLIGATION WILL BE INCLUDED WHEN THE FUND BECOMES OPERATIONAL.
4. THE TWO PROPOSALS THAT WERE RETURNED WITHOUT ACTION BEFORE ENTERING THE MAGIC FUND PROCESS, WERE NOT COUNTED, ALTHOUGH LISTED ON PAGE 2 FOR CITY COUNCIL INFORMATION.
5. WAGE LEVELS ACHIEVED ARE BASED UPON A 40 HOUR WORK WEEK AND EITHER PERSONAL OR DOCUMENTED VERIFICATION.