

STARK **DEVELOPMENT CORPORATION**

Your Economic Development Office
for Dickinson, Stark County
and the Surrounding Area

An aerial photograph of a city, likely Dickinson, North Dakota, showing a mix of residential areas, commercial buildings, and large agricultural fields. The image is framed within a large circle that has a white border and a slight drop shadow, giving it a 3D appearance as if it's a disc or a window into the scene. The text "2012" and "Progress Report" is overlaid on the image in a white, stylized font.

2012
Progress Report

Message from Stark Development Corporation



Economic Development in North Dakota is no longer about just the raw numbers of jobs. Stark Development Corporation has in fact always operated with the quality of the job created as a top concern. Our activities conducted to promote the economic development of the area have changed significantly. Our mission remains the same however..."To assist southwest North Dakota by facilitating quality business opportunities and quality of place". The key word here is Quality.

We are all aware that most of our Country suffered significantly in the Great Recession. Locally our history of conservative financial decisions and our Energy sector surge allowed us to largely avoid the negative consequences of retraction. Our challenges are different, and our brand of Economic Development needs to be different as well. Roles have been reversed and this time around southwest North Dakota is leading the Nation at experiencing the Great Waves that will influence the economy over the next few years:

1. Food Production-While there seems to be less academic concern about the carrying capacity of our planet, the growth of overall population and more importantly a global improvement in diet will drive increasing demand for North Dakota food products.
2. Energy-The rise of North America as a land of abundance of Energy changes our geo-political decision-making. None-the-less it is just wishful thinking that we can ignore the problems on the other side of the globe. The magnitude and momentum of the oil play here effectively boosts our primary sector employment.
3. Health Care-Not only is the delivery system changing due to Obamacare, but the steady march of time affecting the baby boom generation means increased demand. Locally our increasing capabilities and capacity will elevate the amount of care administered here. Health care will be an economic engine here for many years to come.
4. Full Employment-Not enough people have put serious thought to this subject. Here in Stark County we are at the cutting edge of a phenomenon that will sweep the Nation due to the baby bust that occurred in the latter part of the twentieth century. We will be even more challenged to be the location of choice for people who will be guided by factors beyond employment opportunities. Headline-grabbing quality of place advances are needed to keep people coming to southwest North Dakota.

Traditional Economic Development tools still need to be available. Low cost capital, entrepreneur development, workforce training, an alluring web presence, relationships with professional site selectors, all rolled in with public/private partnerships are the bread and butter of Economic Development everywhere. Now we need to do more. Economic Development is a competition for the attention of and the confidence of investors, people in the workforce and policy makers. Our effort is an investment in economic security through diversity of opportunities, a healthy balance between all sectors of the economy, growth of the wealth of local businesses and households, growth of asset values and confidence in the future. Quality is measured in the hearts and minds of people across all spectrums. Quality is what will determine winners and also-ans in the New Economy. Quality is where we can compete well.

A handwritten signature in black ink, appearing to read "Glen L. Baker". The signature is fluid and cursive, with a large, stylized initial "G".

**Executive Vice President
Stark Development Corporation**

2012 BOARD OF DIRECTORS

OFFICERS

T.J. Herauf - Coca Cola Bottling Company - President
Ryan Jilek - Custom Data, Inc. - Vice President
Alvin Binstock - Dickinson State University - Treasurer
Ron Lisko - Stark County JDA - Secretary

DIRECTORS

Nate Bouray - Ebeltoft . Sickler . Kolling . Grosz . Bouray . PLLC
Bruce Dolezal - American Bank Center
Joe Frenzel - Everett Real Estate
Doug Hauck - Amber Waves, Inc.
Floyd Hurt - Mayor of South Heart
Gene Jackson - City Commissioner
Dan Kovash - Kovash & Dasovick PC
Mary Nordsven - Maus & Nordsven
Peggy O'Brien - City of Belfield
Reed Reyman - St. Joseph's Hospital & Health Center
Paul Schuetzler - Consolidated
Kirk Wald - Integrated Production Services
Ken Zander - Stark County Representative

EX-OFFICIO

Shawn Kessel - Dickinson City Administrator

STARK DEVELOPMENT CORPORATION STAFF

Gaylon Baker - Executive Vice President
Danita Tysver - Administrative Assistant

STARK DEVELOPMENT CORPORATION'S MISSION

To Assist Southwest North Dakota by Facilitating Quality Business Opportunities and Quality of Place.

STARK DEVELOPMENT CORPORATION'S VISION

Stark Development Corporation is to be the Recognized Leader in Economic Development.

STARK DEVELOPMENT CORPORATION'S GUIDING PRINCIPALS

- Long term, high quality
- Investment in fixed assets
- Quality of Life
- Emphasis on existing business
- Take educated risks
- Encourage youth involvement (Participant and Leadership)
- Promotion of Southwest Region
- Healthy community
 - Financial
 - Cultural
 - Built
 - Social
 - Natural
 - Human
 - Political
- Recruitment
- Entrepreneurship
- Support regional emerging energy and manufacturing industries



Dickinson, ND & Stark County Economy at a Glance

WORKFORCE (Job Service North Dakota)

	November 2010	November 2011	November 2012
Stark County Employment	15,857	17,447	18,411
Stark County Unemployment Rate	2.0%	1.7%	1.6%
ND Unemployment Rate	3.3%	2.9%	2.8%
US Unemployment Rate	9.3%	8.2%	7.4%

SALES TAX COLLECTIONS (OFFICE OF ND STATE TREASURER)

	2010	2011	2012
Belfield	\$285,419	\$494,297	\$863,850
Dickinson	\$5,370,329	\$7,501,214	\$10,594,317
Richardton	\$90,728	\$174,453	\$163,804
Stark County	\$5,683,479	\$8,169,964	\$11,620,970

TAXABLE SALES & PURCHASES (OFFICE OF ND STATE TAX COMMISSIONER)

(first three quarters of the year only)	2010	2011	2012
Dickinson	\$334,320,975	\$507,075,425	\$758,264,890
Stark County	\$368,685,514	\$559,993,482	\$866,335,622

REAL ESTATE (HOME AND LAND COMPANY)

	2010	2011	2012
Dickinson - Residential			
# of MLS Single Units Sold	294	278	364
MLS Average Sale Price - Single Family	\$169,434	\$177,276	\$221,266

TRANSPORTATION (DICKINSON THEODORE ROOSEVELT AIRPORT)

	2010	2011	2012
Airport Passenger Boarding's	10,351	18,963	23,864

BUILDING PERMITS (CITY OF DICKINSON)

	2010 Permits/Values	2011 Permits/Values	2012 Permits/Values
Commercial Structures	41/\$22,608,043	41/\$70,997,806	120/\$209,184,510
Public Structures	5/\$3,890,525	3/\$1,970,000	0
Single Family Structures	141/\$30,085,142	137/\$30,996,262	589/\$128,308,698
Duplex	n/a	n/a	41/\$6,812,883
Multi-Family & Rowhousing	70/\$18,750,451	74/\$19,551,072	33/\$45,189,830
Alteration/Additions	198/\$7,778,184	156/\$20,781,324	112/\$19,239,567
Misc. Permits/Fees Remitted to the City	1/\$80,000	843/\$692,916	2,905/\$2,605,948

FINANCIAL INCENTIVES UTILIZED BY STARK DEVELOPMENT CORPORATION

PACE Programs

The PACE family of programs at the Bank of North Dakota are designed to encourage specific types of economic activity within the State of North Dakota. The programs have two major elements: (1) the participation by Bank of North Dakota (BND) with a local lender in a community based loan, and (2) the participation by the PACE Fund with the local community in reducing the borrower's overall interest rate by as much as 5%.

PACE Program (Partnership in Assisting Community Expansion)

The PACE Fund assists North Dakota communities to expand their economic base by providing for new job development.

- Borrower can be any person or entity whose business is in manufacturing, processing, value-added processing and targeted service industries. Targeted service industries are businesses involved in data processing, telemarketing, telecommunications, major tourist attractions, holding companies involved in leasing assets to entities otherwise defined as a PACE qualified business, and all other service companies and wholesalers that generate 75% or more of their sales outside of the state of North Dakota.
- Proceeds of a loan may be used to purchase real property, equipment and certain working capital requirements. The program cannot be used to refinance any existing debt or for relocation within North Dakota.
- Within one year a minimum of one job needs to be created and retained for every \$100,000 of total loan proceeds.
- A lead lender is required for BND's participation. The lead lender is responsible for servicing the loan. Application to Stark Development Corporation is required to ascertain availability of the community participation in the interest buydown.
- The PACE Fund may provide an interest rate buy down up to a maximum of \$300,000. In all cases, the buy down must be matched by the community at the designated participation level described under Community Percentage Factor. In addition, the PACE Fund's participation is limited to the amount required to buy down the interest to the lower of 5% below the yield rate but in no event may the interest rate be more than 500 basis points below the national prime rate. The borrower's rate shall never fall below 1% at any time.
- The community's portion of the buy down cannot be funded in any way, directly or indirectly, by the borrower or any individual or organization that has a financial interest in the borrower.
- The lead financial institution may charge an origination fee of up to 1% of the total loan amount, which shall be shared with BND. A minimum PACE origination fee of \$250 is charged by BND and may be included in the origination fee.

Flex PACE Program

The Flex PACE feature of the PACE program provides interest buy down to borrowers that do not fit into the traditional definition of a PACE qualifying business. Under Flex PACE, the community determines eligibility and accountability standards. Flex PACE allows communities the ability to provide assistance to borrowers with a business focus or need outside of the current requirements of PACE, such as jobs retention, technology creation with no new jobs, retail, smaller tourist businesses and essential community services.

- Job creation is not a requirement of Flex PACE, but jobs will be tracked for informational purposes.
- Existing PACE program parameters (ex. interest rate buy down maximum, community match, BND participation amount, default) apply.

Flex PACE Affordable Housing Program

The Flex PACE Affordable Housing program is designed to assist in the financing of affordable multi-family housing units for individuals in areas of North Dakota affected by oil and gas development.

- Can be used in conjunction with other state or federal programs targeted to affordable housing.
- Maximum of \$25,000 of BND interest buydown available per unit committed to affordable housing.
- Will be in effect until June 30, 2013.
- Borrower can be any profit or non-profit.
- Proceeds of a loan may be used for the permanent financing of the affordable multi-family housing units.
- The interest buydown shall not exceed the projected amount of the rental relief provided over the term of the affordable housing project.
- The local housing authority or other local government agency will verify current market rates at the time of application and the rental concessions made as a part of the affordable housing loan request.
- The local group will provide annual verification of the borrower's affordable housing compliance.

SDC ECONOMIC DEVELOPMENT 2011 APPROVED

Economic Development Projects

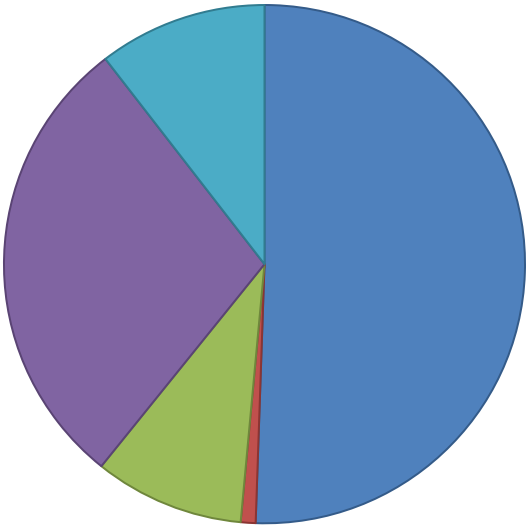
Organization	Objective	SDC Cost Share	Total Project Cost
Flex PACE Projects			
DAB, LLC 2-24	Construction of 24 Apartments	\$107,692	\$2,350,000
DAB, LLC 3-36	Construction of 36 Apartments	\$107,692	\$3,511,900
RBC, LLC	Construction of 6 Apartments	\$47,864	\$840,000
Pheasant Run Properties, LLC	Construction of 8 Apartments	\$54,482	\$1,120,000
Blue Hawk Square, LLC	DSU Student Housing	\$107,108	\$5,000,000
Hauck Family Trust	Construction of 12 Apartments	\$54,339	\$1,508,853
DAB, LLC 3-30	Construction of 30 Apartments	\$107,692	\$3,125,000
Killdeer Mountain Manufacturing	Equipment Purchase	\$14,997	\$1,300,000
DAB, LLC 7-32	Construction of 30 Apartments	\$52,979	\$3,300,000
DAB, LLC 7-31	Construction of 30 Apartments	\$52,979	\$3,300,000
Beach Pulses, LLC	Installation of a Pulse Processing Plant to Process and Export	\$30,000	\$2,625,000
Steffes Corporation	Equipment Purchase	\$33,916	\$1,000,000
Total Flex PACE Investment		\$771,740	\$28,980,753
PACE Projects			
Steffes Corporation	Equipment Purchase	\$14,078	\$500,000
Total PACE Investment		\$14,078	\$500,000
Primary Sector Recruitment			
Lufkin	Sales Tax Relief	\$30,000	\$30,000
Lufkin	Personal Property Relief	\$75,000	\$75,000
Lufkin	\$1,500 per Employee up to 25 Employees for Training	\$37,500	\$37,500
Total Primary Sector Recruitment		\$142,500	\$142,500
Infrastructure Grants			
City of Dickinson	Sewer Main Improvements	\$438,488	\$438,488
Total Grants		\$438,488	\$438,488
Total Economic Development Projects		\$1,366,806	\$30,061,741



SDC COMMUNITY DEVELOPMENT 2011 APPROVED

Community Development

Organization	Objective	SDC Contribution
Dickinson Area Chamber of Commerce	SW Night at the Legislature Sponsor	\$255
Theodore Roosevelt Expressway Association	Membership Dues for US Hwy 85 Corridor Improvements	\$15,000
SW REAP	USDA/SW REAP Great Regions Sponsor	\$200
DSU Business Challenge	Sponsor	\$2,500
Small Business Development Center	Operating Support	\$5,000
American Petroleum Institute	Social Sponsorship	\$295
City of Belfield Housing Authority	Assistance in Purchasing lots in Belfield for Low Income Housing	\$9,000
West River Business Center	Educational Endeavors	\$2,500
Dickinson Theodore Roosevelt Airport	Airport Hanger Grant	\$50,000
Dickinson Theodore Roosevelt Airport	Airport Hanger Loan	\$75,000
Dickinson Area Chamber of Commerce	Leadership Dickinson Sponsor	\$250
Dickinson Area Chamber of Commerce	Monthly Coffee Sponsor	\$50
Total Community Development		\$160,050



- Flex PACE Investment
- PACE Investment
- Primary Sector Recruitment
- Grants
- Community Development



SDC ECONOMIC DEVELOPMENT 2012 APPROVED

Economic Development Projects

Organization	Objective	SDC Cost Share	Total Project Cost
Flex PACE Projects			
OTHG Properties, LLC	Apartments - 10 Units	\$42,670	\$1,400,000
JNT Properties, LLC	Apartments - 6 Units	\$25,620	\$840,000
Blue Hawk Square, LLC	DSU Student Housing - 127-135 Beds	\$161,365	\$2,500,000
Beyond Shelter, Inc.	Affordable Housing - 24 Units	\$161,538	\$3,432,890
Amber Waves, Inc.	Operating Equipment	\$15,476	\$993,500
AK Investments, LLP	Affordable Housing - 10 Units	\$76,000	\$1,300,000
Prairie Gold Real Estate, LLC	Affordable Housing - 24 Units	\$30,000	\$3,300,000
Housing Authority of the City of Belfield	Affordable Housing - 12 Units	\$12,249	\$784,000
Springfield Market, LLC	Richardton Grocery Store	\$32,207	\$1,000,000
Total Flex PACE Investment		\$557,125	\$15,550,390

PACE Projects

Amber Waves, Inc.	Mortgage Loan	\$33,333	\$752,780
Total PACE Investment		\$33,333	\$752,780

Grants

Beyond Shelter, Inc.	Affordable Housing - 54 Units	\$58,000	(Project was not funded at state level)
AK Investments, LLP	Affordable Housing - 10 Units	\$25,000	\$1,300,000
Housing Authority of the City of Belfield	Affordable Housing - 12 Units	\$10,000	\$784,000

Total Grants	\$93,000	\$2,084,000
Total Economic Development Projects	\$683,458	\$16,303,170



SDC COMMUNITY DEVELOPMENT 2012 APPROVED

Community Development

Organization

Theodore Roosevelt Expressway Association
DSU Business Challenge
Theodore Roosevelt Expressway Association
Roosevelt Custer Regional Council
Dickinson Area Chamber of Commerce

Objective

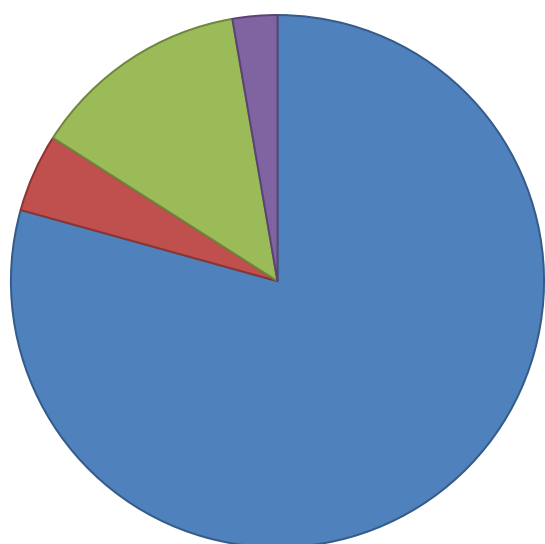
Membership Dues for US Hwy 85 Corridor Improvements
Sponsor
Annual Meeting Sponsor
Tourism Plan for Southwest North Dakota
Leadership Dickinson Sponsor

SDC Contribution

\$15,000
\$2,500
\$270
\$1,000
\$250

Total Community Development

\$19,020



- Flex PACE Investment
- PACE Investment
- Grants
- Community Development



Watch for our Sign

Project in Partnership With



(701) 225-5997
www.starkdev.com



Stark Development Corporation would like to thank its dues-paying Members, Dickinson City Commission, Stark County Commission, and the Stark County Jobs Development Authority for funding to help make our projects possible.

DICKINSON CITY COMMISSION

**Dennis Johnson
Shirley Dukart
Gene Jackson
Klayton Oltmanns
Carson Steiner**

STARK COUNTY JOBS DEVELOPMENT AUTHORITY

**Vaune Cripe
Jay Elkin
Joe Frenzel
Jason Hanson
Floyd Hurt
Ron Lisko**

**Frank Kirschenheiter
Bob Maeyaert
Leo Schneider
Linda Steve
Ken Zander
Bob Zent**

STARK COUNTY COMMISSION

**Jay Elkin
Russ Hoff
Pete Kuntz
Duane Wolf
Ken Zander**

STARK DEVELOPMENT CORPORATION

2012 MEMBERS

- Amber Waves, Inc.
- American Bank Center **
- Baker Boy **
- Brady Martz & Associates PC **
- Bremer Bank **
- Border States Electric Supply **
- Budget Rent-A-Car **
- City of Belfield
- Coca-Cola Bottling Company **
- Consolidated **
- Custom Data, Inc. **
- Dacotah Bank *
- Dakota Community Bank **
- Dickinson Area Chamber of Commerce **
- The Dickinson Press & Advertiser **
- Division of Vocational Rehabilitation **
- Dickinson Ready Mix **
- Dickinson State University **
- Ebeltoft . Sickler . Kolling . Grosz . Bouray . PLLC **
- ESP Computers & Software, Inc. **
- Everett Real Estate, Inc. **
- Fisher Sand & Gravel Company **
- Funshine Express **
- Gate City Bank **
- Great Plains Clinic, P.C. **
- Great Plains National Bank **
- Heiser Motors, Inc. *
- Home and Land Company
- Integrated Production Services
- Job Service North Dakota **
- Kadrmas, Lee & Jackson **
- KDIX Radio **
- Killdeer Mountain Manufacturing **
- Kolling & Kolling, Inc. **
- Kovash & Dasovick PC**
- Marathon Oil
- Maus & Nordsven PC **
- Medora Corporation **
- Montana-Dakota Utilities Company **
- Muriel E. Hurt, Realtor **
- Pennysaver **
- Precision Machine & Welding, Inc. **
- Roers Development, Inc.
- Roughrider Electric Cooperative **
- Sax Motor Company **
- Service Printers **
- Steffes Corporation **
- St. Joseph's Hospital & Health Center **
- Stone Mill, Inc.
- TMI Systems Design **
- Wal-Mart Supercenter *
- Wells Fargo Bank **
- Western Cooperative Credit Union **



** Member for 10 Plus Years
* Member for 5-9 years

If you would like to become a member of Stark Development Corporation Membership
Dues are \$100 for 24 or fewer employees and \$250 for 25 or more employees.
To become a member of Stark Development Corporation please contact us at 225-5997.

Visit our website for
What's New at Stark Development Corporation
www.starkdev.com

Phone: 701-225-5997

1-888-880-7963

Fax: 701-227-8647

**314 3rd Avenue West
PO Box 765, Dickinson
ND 58602-0765**

STARK
DEVELOPMENT CORPORATION



"YOUR SUCCESS IS OUR GOAL"

