

STARK **DEVELOPMENT CORPORATION**

2014 PROGRESS REPORT



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

Message from Stark Development Corporation



After five years of an oil boom, life in Stark County is changing again. Five years ago when this boom was just getting its legs in Stark County we all saw what was coming our way as we observed the investment and the impacts that our neighbors to the north were experiencing. Civic and Community leaders learned quickly how to deal with these changes. While working diligently to direct growth in a way that served the future of our citizens well, everyone seemed mindful that all this was predicated on crude oil prices that are historically subject to significant ups and downs. I don't know anyone who did not take the talk about a 20-40 year boom with a grain of salt. While we recognize that the resources here are abundant, we need to also recognize that the oil industry in North Dakota will see periods of sluggishness and periods of resurgence. This cycle is likely to be repeated a number of times over the coming decades.

Knowing full well that this up and down volatility is something we are going to have to live with, we need to plan accordingly. This will not be easy given the needs of people and the need for sustainability of businesses. How can we provide a stable life and a good living in a feast or famine economy? One key part of the answer is economic diversification. These two words have been the mantra of Stark Development Corporation before, during and now in the wake of this stage of the oil boom. In a diversified economy jobs and investment are scattered among many fundamental generators of new wealth. In slow times for one new wealth generating industry another may be doing well, thereby helping to level the field for the area as a whole.

The sheer size of the oil industry in western North Dakota, coupled with its volatility, will result in an inconsistent flow of new money for the foreseeable future. While in the past our relatively consistent and regular new wealth flows from manufacturing were sufficient to smooth out the volatility in agriculture and a much smaller oil industry, that smoothing effect is now a much smaller portion of the economy as a whole. In short: We are going to have to live with a substantial amount of churn and unpredictability.

People support economic development because they want greater certainty that their investments won't go sour, their families and friends will prosper and they themselves can make a good living. To this end Stark Development Corporation always has and now continues to work to increase the number and the impact of multiple primary industries. By listening well to employers and employees we address those issues that are high priorities for both. We have used a number of tools to make progress on various fronts. We expanded our low-cost financing to include housing and child care to allow greater workforce participation. Grant funds were added to the availability of low cost financing to make Stark County a strong competitor for investment in these endeavors.

Stark Development Corporation is purposely structured to be flexible and adaptable to allow for the ability to address our most pressing needs relating to improvement of the local economy. Quality of opportunities and quality of place will continue to improve using those tools available to us and if necessary using tools new to us. The advice, expertise and commitment to community displayed by members of Stark Development Corporation is the best of the tools we have. Thank you for your help and guidance.

Gaylon Baker



314 3rd Avenue West
P.O. Box 765
Dickinson, ND 58602-0765
Phone: (701) 225-5997 or 1-888-880-7963
Fax: (701) 227-8647
www.starkdev.com

2014 SDC Development Projects Approved

Organization	Objective	SDC Cost Share	Total Project Cost
Flex PACE Projects			
KMM	Equipment Purchase	\$17,927	\$1,000,000
Landis Hay Grinding	Equipment Purchase	\$7,078	\$160,000
Total Flex PACE Investment		\$25,005	\$1,160,000
Grants			
St. Joseph's Hospital Foundation	Healthcare Grant	\$500,000	\$98,800,000
Total Grants		\$500,000	\$98,800,00
Collateral Support			
Trial Runners	Certificate of Deposit	\$100,000	
Total Collateral Support		\$100,000	
Contributions			
Theodore Roosevelt Expressway Association	Membership Dues for US Hwy 85 Corridor Improvements	\$15,000	
Total Contributions		\$15,000	
Total Development Projects		\$640,005	\$99,960,000

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

OFFICERS

President - T.J. Herauf - Coca Cola Bottling Company

Vice President - Ryan Jilek - Custom Data, Inc.

Treasurer - Dan Kovash - Kovash & Dasovick PC

Secretary - Ron Lisko - Stark County JDA

DIRECTORS

Nate Bouray - Ebeltoft . Sickler . Lawyers PLLC

Bruce Dolezal - American Bank Center

Joe Frenzel - Everett Real Estate, Inc.

Ambrose Hoff - Stone Mill, Inc.

Floyd Hurt - Mayor of South Heart

Mary Nordsvan - Maus & Nordsvan, P.C.

Peggy O'Brien - City of Belfield

Reed Reyman - CHI St. Joseph's Health

Paul Schuetzler - Consolidated

Carson Steiner - Dickinson City Commissioner

Kirk Wald - Terrenus Resources LLC

Ken Zander - Stark County Commissioner

EX-OFFICIO

Shawn Kessel - Dickinson City Administrator

STARK DEVELOPMENT CORPORATION STAFF

Gaylon Baker - Executive Vice President

Danita Tysver - Administrative Assistant

**Thank You to the Dickinson City Commission, the Stark County Commission,
the Stark County Jobs Development Authority, and our dues-paying
Members for funding to help make our projects possible.**

STARK DEVELOPMENT CORPORATION MEMBERS

- Amber Waves, Inc. *
- American Bank Center **
- Baker Boy **
- Beyond Shelter, Inc.
- Brady Martz & Associates P.C. **
- Bremer Bank **
- Border States Electric Supply **
- Budget Rent-A-Car **
- City of Belfield
- CHI Joseph's Health **
- Choice Financial Group**
- Coca-Cola Bottling Company **
- Consolidated **
- CornerStone Bank
- Custom Data, Inc. **
- Dacotah Bank **
- Dakota Community Bank **
- Dickinson Area Chamber of Commerce **
- The Dickinson Press & Advertiser **
- Dickinson Ready Mix **
- Dickinson State University **
- Division of Vocational Rehabilitation **
- Ebeltoft . Sickler Lawyers**
- Everett Real Estate, Inc. **
- Feinberg Properties, LLC
- Fisher Sand & Gravel Company **
- Funshine Express **
- Gate City Bank **
- Home and Land Company
- JLG Architects
- Job Service North Dakota **
- Kadrmas, Lee & Jackson **
- Killdeer Mountain Manufacturing **
- Kolling & Kolling, Inc. **
- Kovash & Dasovick PC**
- Marathon Oil Corporation
- Maus & Nordsvan, P.C. **
- Medora Corporation **
- Midcontinent Communications
- 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 **
- Stone Mill, Inc.
- Terrenus Resources LLC
- TMI Systems Design **
- Wal-Mart **
- Wells Fargo Bank **
- Western Cooperative Credit Union **

** Member for 10 Plus Years

* Member for 5-9 years

"YOUR SUCCESS IS OUR GOAL"



Manufacturing Day

Local Manufacturers are proud of their history and optimistic about their future in Stark County. They dedicated resources for this Statewide and Nationwide recognition in the role manufacturing plays in this great county.

STARK DEVELOPMENT CORPORATION BAKER'S DOZEN REASONS TO LOVE MANUFACTURING

1. Manufacturing employs more than 12 million Americans
2. There are approximately 338,000 manufacturing establishments in the US
3. Some 98% of manufacturing firms are small businesses
4. Manufacturing employee earnings per week are in the top 10% of all jobs
5. There are about 334,000 job openings in manufacturing, including many here. These jobs give people unique skills useful beyond the workplace and help build each individual's personal resume
6. Manufacturing accounts for approximately 60% of all US exports and growth in manufacturing has played a big part in improvement of our balance of trade
7. In 2013 US manufacturers exported \$1.59 trillion in goods, more than double the exports in 2003. That is new wealth coming to this country from others around the world
8. Manufacturers conduct 68% of all research and development. Including many local company R&D efforts that have led to unique and innovative products sold nationally and internationally
9. ND has over 44,000 manufacturing jobs
10. Stark County has approximately 1,400 manufacturing jobs
11. Manufacturing nationwide spends approximately \$200 billion each year for energy for their plants
12. Manufacturing accounted for 45% of foreign direct investment in the US from 2010-2012
13. 35% of Americans say they would encourage their children to pursue a career in manufacturing. They know that manufacturing will provide safe, steady good paying jobs for a lifetime



Governor Jack Dalrymple proclaimed
October 3, 2014 Manufacturing Day in the
State of North Dakota

The City of Dickinson and
Stark County Proclaimed
October 15, 2014 as
MANUFACTURING DAY

Manufacturing Day **MEG DAY**
October 15, 2014

Manufacturing provides many opportunities for area residents to utilize their skills and talents to improve their life and that of their loved ones with organizations that have existed from 10 to 80 years in our local area. The manufacturers below provide 1,370 jobs that diversifies the area economy thereby bringing sustainability to our communities. For every one manufacturing job created four to five jobs are created downstream—from police, firefighters, teachers to dry cleaners, insurance agents to electricians and plumbers. Thus manufacturing jobs are very valuable to economic stability and longer-term economic growth. Manufacturing is a cornerstone of innovation in our economy. Manufacturing firms fund most domestic research and development and the resulting innovations and productivity growth improve our standard of living and generate annually a combined total of \$574 million in sales.

A huge variety of careers await you in manufacturing! The manufacturers below welcome applications on-line or thru Job Service North Dakota. We encourage you to consider a life-long career in manufacturing!

Thanks to the 1,370 employees who chose manufacturing careers with Amber Waves, Baker Boy, Fisher Industries, FunShine Express, Killdeer Mountain Manufacturing, Steffes, Stone Mill, TMI and Worthington Industries. Your skills and talents improve the way of life in this world economy!

- ◆ Stark Development Corporation has provided funding support to reduce the interest cost on 49 manufacturing loans in the period from 2000-2014.
- ◆ Low interest loans have facilitated growth of area manufacturers who must compete with other, lower-cost business competitors.
- ◆ Manufacturing jobs diversify our economy overall and smooth out the peaks and valleys we often experience from the energy and agriculture sectors.

SDC Networking & Collaboration with Partner Organizations & Committees

- Community Relations Committee
- Southwest North Dakota Economic Developers
- Manufacturer's Round Table
- Theodore Roosevelt Expressway Association
- Southwest Area Human Resources Association
- Dickinson Area Chamber of Commerce
- Dickinson Area Chamber of Commerce Ambassador Committee
- North Dakota Opportunity Fund
- Manufacturing Strategies and Solutions Group
- Stark County Jobs Development Authority
- Vision West ND
- Economic Development Association of North Dakota
- Lignite Energy Council
- Information Technology Council of North Dakota
- Badlands Board of Realtors
- Dickinson Area Builders Association
- American Petroleum Institute
- North Dakota Petroleum Council
- Greater North Dakota Chamber of Commerce
- North Dakota Rural Development Council
- Mid-America Economic Development Council



West River Business Center partnered with NDSU and the DSU Strom Center to bring a 3D Printing demonstration to Dickinson. Ben Bernard from NDSU presented the demonstration. The machines are used for students in their architecture and landscape architecture programs. Mr. Bernard indicated the possibilities seemed endless if you can dream it, you can print it. 3D printing could change

manufacturing and revolutionize the way objects are produced, Bernard sees 3D printing being used for many practical household uses as well. The event was quite a success with many business leaders and individuals from the community attending. Many people are still discussing the opportunities it could bring to the area.

Dickinson State University
STROM CENTER
PRESENTS

INTRODUCTION TO
3D PRINTING
DEMONSTRATION FOLLOWED BY OPEN EXHIBIT

TUESDAY, MARCH 18, 2014
9 - 11 A.M.
STROM CENTER
1679 6TH AVE W, DICKINSON, ND

FREE AND OPEN TO THE PUBLIC
refreshments provided for the registered participants
REGISTRATION: (701) 483-2756

PARTNERS: **NDSU** NORTH DAKOTA STATE UNIVERSITY **WRBC** West River Business Center **DSDS**

Dickinson, ND & Stark County Economy at a Glance

WORKFORCE (Job Service North Dakota)

	December 2014	December 2013	December 2012
Stark County Employment	22,784	20,647	19,267
Stark County Unemployment Rate	1.7%	1.5%	1.8%
ND Unemployment Rate	2.8%	2.7%	3.1%
US Unemployment Rate	5.4%	6.5%	7.6%

SALES TAX COLLECTIONS (OFFICE OF ND STATE TREASURER)

	2014	2013	2012
Belfield	\$711,178	\$917,894	\$863,850
Dickinson	\$12,794,129	\$10,952,340	\$10,594,317
Richardton	\$164,964	\$134,093	\$163,804
South Heart	\$141,381	\$120,671	0
Stark County	\$13,811,653	\$12,124,998	\$11,620,970

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

(first three quarters of the year only)	2014	2013	2012
Dickinson	\$1,052,409,347	\$869,837,771	\$758,264,890
Stark County	\$1,133,799,110	\$946,472,018	\$866,335,622

REAL ESTATE (HOME AND LAND COMPANY)

Dickinson - Residential	2014	2013	2012
# of MLS Single Units Sold	746	653	434
MLS Average Sale Price - Single Family	\$254,533	\$236,465	\$231,573

TRANSPORTATION (DICKINSON THEODORE ROOSEVELT AIRPORT)

	2014	2013	2012
Airport Passenger Boardings	58,943	35,125	23,864

BUILDING PERMITS (CITY OF DICKINSON)

	2014	2013	2012
	Permits/Values	Permits/Values	Permits/Values
Commercial Structures	33/\$69,279,224	74/\$176,703,374	119/\$208,723,710
Public Structures	5/\$43,117,000	3/19,425,001	0
Single Family Structures	271/\$61,905,595	286/\$70,359,108	588/\$128,070,329
Duplex	0	0	41/\$6,812,883
Multi-Family & Rowhousing	10(288 units)/\$43,500,280	18(554 units)/\$51,768,119	33(834 units)/\$45,189,830
Alteration/Additions	140/\$17,571,668	170/\$43,878,787	111/\$19,219,867
Misc. Permits/Fees Remitted to the City	2,369/\$1,603,071	2,059/\$1,569,618	2,896/\$2,587,675

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

www.starkdev.com * Phone: 701-225-5997 * Toll Free: 1-888-880-7963 * Fax: 701-227-8647