

DEMOGRAPHICS

Population

North Dakota (2000 census) 642,200

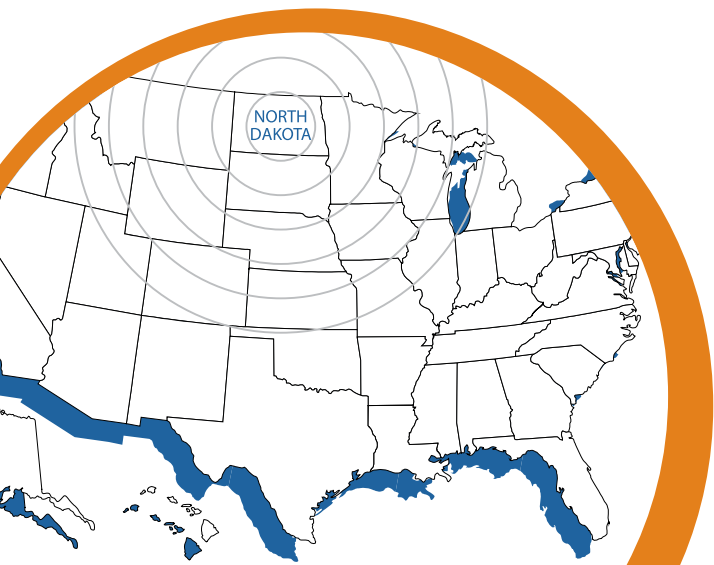
MSAs

Fargo - Moorhead 174,367
 Bismarck - Mandan 97,719
 Grand Forks - East Grand Forks 97,476

Employment Profile (2006 Annual Avg.)

Mining 6,793
 Utilities 3,416
 Construction 20,582
 Manufacturing 26,363
 Wholesale Trade 19,866
 Retail Trade 43,138
 Transportation & Warehousing 9,990
 Information 7,430
 Finance & Insurance 16,352
 Real Estate, Rental & Leasing 3,463
 Professional & Technical Services 12,935
 Management of Companies & Enterprises 4,287
 Administrative & Waste Services 13,058
 Educational Services (private) 1,727
 Health Care & Social Assistance 48,427
 Arts, Entertainment, and Recreation 3,706
 Accommodation and Food Services 29,858
 Other Services, Ex. Public Admin 11,494

Total Nonfarm Private Employment 282,885



SUCCESS STORIES

Microsoft Business Solutions ~

www.microsoft.com/BusinessSolutions

1,333+ employees and division HQ in Fargo
 ♦ North Dakota-grown Great Plains Software acquired for \$1.1 billion in April 2001

ING ~ www.ing.com

750+ employees at Customer Service Operations center in Minot

Amazon.com ~ www.amazon.com

300+ employees at Internet Distribution Center in Grand Forks

Goodrich Corporation ~ www.goodrich.com

Building aerospace cargo systems and replacement military structures in Jamestown

Great River Energy ~ www.greatriverenergy.com

Leader in the energy industry capitalizing on reducing the carbon footprint of business in North Dakota - using coal power plant heat sources to process ethanol and barley

Steffes ~ www.steffes.com

Leading manufacturer of electric thermal storage equipment, offering creative solutions for heating efficiencies using off-peak and renewable energy sources

LM Glasfiber ~ www.lmglassfiber.com

Manufacturing fiberglass blades for wind turbines in Grand Forks



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 North Dakota Business Development Team

North Dakota QUICK FACTS



Quality of Life, Combined with a
 Great Place to Work, Play & Do Business.

STRATEGIC INCENTIVE ADVANTAGES

Property Tax Exemptions

- Up to 5-year property tax exemption
 - Additional 5 years available for agricultural processors or a project located in property leased from a governmental entity
 - In lieu of a property tax exemption, in full or part, a company may negotiate a fixed or graduated rate for a period not to exceed 20 years
 - No personal property taxed, including equipment, materials in process, and accounts receivable

Corporate Tax Exemptions

- Five-year corporate income tax exemption for new or expanding technology based business
 - Wage, salary and research credits available

Sales Tax Exemptions

- Sales and use tax exemptions on manufacturing/computer/telecommunication equipment, water, electricity, and interstate communications for technology-based business

Financial Incentives

- North Dakota Development Fund
 - gap financing loan and equity program
- PACE program – interest buy down program at Bank of North Dakota
- Match Program – some of the lowest interest rates in the nation for “A” rated companies

Job Training Programs

- One-stop job training assistance – both state and federal programs available for businesses
- Workforce 2020 – state-funded program for training new technologies and processes
- New Jobs Training Program
 - “no cost” program utilizing employee withholding tax

Workers Compensation

- Lowest workers compensation premium rates in the nation



COMPETITIVE BUSINESS COST ADVANTAGES

Power

- Power offered at industrial rates well below national average – avg. 5.56 cents/kh– YTD March 2009
- State exports nearly 70% of electricity produced
- Supporting “green” business trend by developing renewable energy sources

Real Estate/Facilities

Effective averages for Fargo, ND, according to NAI Global

- Rent/lease
 - \$14.50-\$18.00/sf to rent quality office space
 - \$5.00/sf to rent industrial space
- Development Land Construction Costs
 - \$11.00-\$16.00/acre to build in commercial building district

Public Policy

- Constitutionally balanced budget — \$1.2 billion surplus – no deficit
- Person-to-person access to public officials
- Only state-owned bank in the nation offers business expansion funds

Taxes

- #3 in nation for lowest cost of doing business (2007 Milken Institute)
- State Legislature lowered top corporate income tax rate from 10.5% to 6.4%

INFRASTRUCTURE ADVANTAGES

Voice/Data

- 100% fiber optic broadband communication network links all regions of the state
- Minimal investment needed to reach major fiber trunk
- Two OC-48 SONET Rings provide strong redundancy
- Connectivity ranging from T-1 to OC-12, ISDN, ATM, xDSL, frame relay, DWDM, SONET, satellite, cable and wireless service
- Ideal physical environment with minimal risk of natural disasters



Transportation

- Two major Interstates: I-94 East/West, I-29 North/South
- Foreign trade zone
- Two Canada-Mexico Trade Corridors
 - Fourth largest port of entry for Canadian goods by truck and rail
 - 24-hour ports of entry along the North Dakota-Canadian Border
 - Extensive Cargo Rail by Burlington Northern Santa Fe and Canadian Pacific
 - BNSF – main line route including Seattle to Chicago
 - CP – main line route including Vancouver to Chicago
- Four International airports – Bismarck, Fargo, Grand Forks and Minot
- Four additional commercial airports – Devils Lake, Dickinson, Jamestown and Williston

EDUCATION, WORKFORCE & QUALITY OF LIFE ADVANTAGES

Primary/Secondary

- 12.1 to 1 student to teacher ratio - 2007
- North Dakota's average ACT score is 21.6 which is above the national average of 21.2

Post Secondary

- #3 in college continuation rate for high school graduates – 2006
- #3 in college participation rates for 19 year olds – 2007
- Nineteen college and university campuses, including 2 major research universities

Workforce Proficiency

- Right-to-work state– Union membership less than 10%
- 6.7% average annual turnover rate for private business 2nd Quarter 2008– compared to industry standard of 35-30%
- Low absenteeism rate

Quality of Life

- North Dakota has been ranked in the top 5 for safest states for the last 16 years (*Morgan Quinto Press*)
- Clean air, abundant recreational opportunities, quality education & family-friendly

