

Highlights of the RZ activity in the City for 2011:

**May**—RZ application reviewed for rehab of property at 1025 Dakota Avenue by Service Oil, Inc. Motion carried to recommend approval to be forwarded to State RZ Mgr. for approval of 5 yr. property tax exemption on improvements only.

**July**—Reviewed RZ project request for rehab at 314 Dakota Avenue. Approved 2010 Annual RZ Monitoring Report. Priebe reported she is working with other ED Directors to find ways to promote the RZ program.

**Aug**— RZ application approved for rehab at 314 Dakota Avenue. Motion carried to recommend approval be forwarded to State RZ Mgr. for approval of 5 yr. property tax exemption on improvements only.

**Oct**—RZ application reviewed and approved for purchase at 917 2nd Avenue North. Motion carried to recommend approval be forwarded to State RZ Mgr. for approval of 5 yr. property tax exemption.

**SNAPSHOT:** The Renaissance Zone Authority met 7 times in 2011 and approved 3 projects [2 rehabs and 1 new construction].

NOTE: EXEMPTIONS LISTED BELOW INCLUDE YEAR PRIOR PLUS ANY NEW PROJECTS IN THE YEAR.

**YEAR 1 2005 EXEMPTED: \$7,686.65**  
**YEAR 2 2006 EXEMPTED: \$10,620.84**  
**YEAR 3 2007 EXEMPTED: \$12,009.42**  
**YEAR 4 2008 EXEMPTED: \$12,318.79**  
**YEAR 5 2009 EXEMPTED: \$21,159.95**  
**YEAR 6 2010 EXEMPTED: \$17,998.45**  
**YEAR 7 2011 EXEMPTED: \$18,335.40**  
**YEAR 8 2012 EXEMPTED: \$20,481.98**

2011 Renaissance Zone Projects

31-WAH: Service Oil, Inc.

32-WAH: Henry H. Behle

33-WAH: Carlson Family Insurance Agency

Period Lighting, Trees, Plantings, New Banners & Hanging Flower Baskets line recently reconstructed Dakota Avenue the Summer of 2011.



Located in the extreme southeast corner of the state, Wahpeton, North Dakota is the Richland County seat, home to 7,766 people and location of nationally known North Dakota State College of Science! Wahpeton is currently the 10th largest city and combined with Gwinner, ND, hold the highest percentage of manufacturing jobs per capita than any other region in the state.

For additional copies of this report please contact the Economic Development Office or visit us online at [www.wahpeton.com](http://www.wahpeton.com) and Face book under the name: Wahpeton, ND. For community information go to [www.wahpetonwelcome.com](http://www.wahpetonwelcome.com)



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Prepared Mar-Apr 2012  
 Printed May 2012



**2011 Economic Development Commission**

Alisa Mitskog, Chairman  
 Arden Anderson, Vice-Chair  
 Tiana Bohn  
 William Grosz  
 Randy Pope  
 Roger Richels  
 Dan Zink

**2011 Wahpeton Community Development Corporation**

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2011 Annual Report

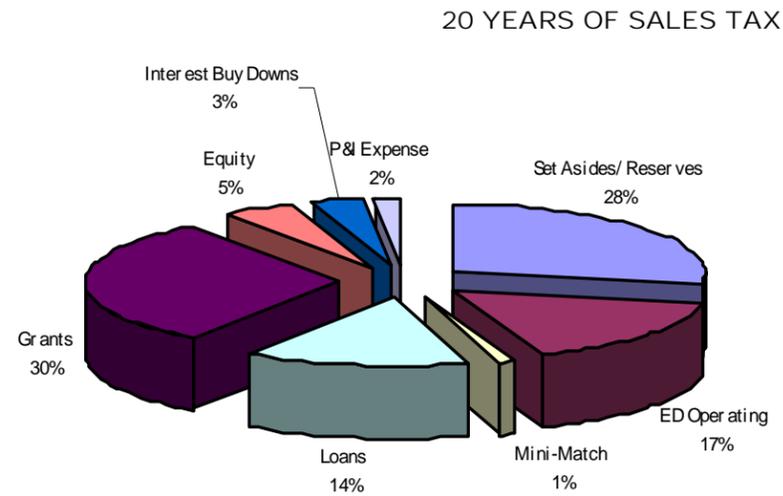
Special Edition  
 20th Anniversary

Retention  
 Expansion  
 Housing  
 Marketing  
 Projects  
 Programs

**FROM THE DIRECTOR...** Reflecting on the past two decades of successful economic development and community improvement it would be nice to sit back and enjoy the fruits of our labor. There is no 'sitting back' in this community! We cheer on our success stories, keep the momentum going and the good news coming because we all know that it can turn the other direction quickly if we are not vigilant in our efforts. We embrace our blue collar heritage and continually challenge ourselves to improve the quality of our lives and our livelihoods.

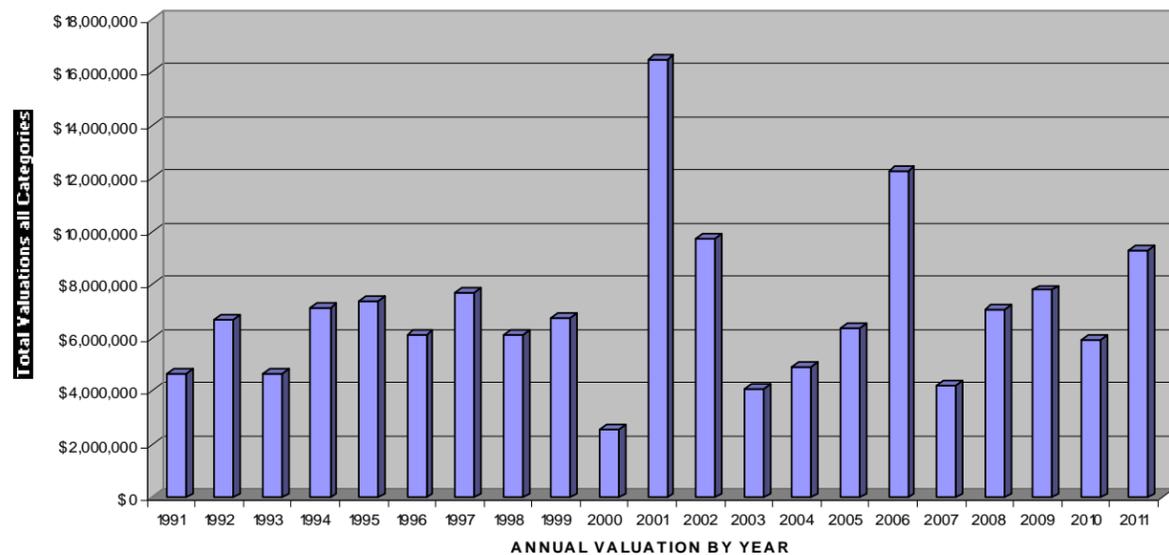
So as you flip through the pages of this 20-year report, be reminded of what it took to get here and of the great and amazing work of many people involved at every level making all things possible with something as simple as a 'sales tax'.

Jane Priebe, CECD, Director



Above: Pie chart showing the historical expenditures of Sales Tax Collections for Economic Development totaling \$14,371,560; some project dollars are paid back and reused.

**Keeping Track**



Building Permit Valuations History Note: 2001—includes Imation Building 20 construction; 2006 includes Wal-Mart



Downtown Wahpeton Dakota Avenue

**Sales Tax Fund Percentages—Year 2 for 2%**

2011 marked the second year a 2% local option sales tax was collected and the numbers were good...very good. Collections tipped the scales at \$1,837,458.76 a 9.3% increase over the preceding three year average. Sales tax allocations looked different in 2011 as well: Economic Development 27%; Flood 45%; Recreation 3% and Infrastructure/Flood 25%. The Infrastructure/Flood portion of the tax collections is locked in at 25%.

For 2011 the totals looked like this:

<b>Economic Development:</b>	<b>\$496,113.87</b>
Flood Mitigation:	\$826,856.43
Recreation:	\$ 55,123.75
Infrastructure/Flood:	\$459,364.71

No sales tax collections for the additional 1/2% were received by the City in Q1 2010 so 2011 makes this the first full year of the extra 1/2 cent that is earmarked for Infrastructure/Flood.

Sales tax on purchases in the city is 7% [5% state; 2% local].

By year end Economic Development had **\$291,819 available for projects**. The Recreation Set Aside ended the year with a balance of \$364,410. As previously stated, Sales Tax dedicated to Flood Mitigation was adjusted in 2011 from 30% to 45%.

**Expenses in economic development for the year totaled \$231,481** and are accounted for as follows:

Dept. Expense:	\$ 150,111
Misc [Loan Payoff TCS]:	\$ 9,100
DAAG:	\$ 13,909
Comp Plan Completion:	\$ 30,395
Sales Tax Grants:	\$ 3,500
Sales Tax Int. Buydown:	\$ 24,466

**Mini-Match, in its 11th year**, provided funding for 5 businesses in 2011. A total of \$4,278 Mini-Match dollars were expended. That amounted to 21% of the project costs for those businesses that participated in the grant program.



**From the Economic Development Office**

**Measurable** activity tracked during 2011 totaled **507 points of contact**. This compared to 505 in 2010 and 374 in 2009. Inquiries and requests totaled 163 for business start up & expansion, housing info, and programming over a 12 month period. Renaissance Zone and Planning inquiries increased by 19% over last year.

The office tracks Revolving Loan Fund loans, Sales Tax loans and HELP [Housing-Entry Level Program] activity all year. The Loans Receivable balance at the start of 2011 was \$873,752.00 reporting 35 accounts: 31 active, 3 past due and 1 in default. This compares to the end of the year showing \$947,354.16 in principal remaining, 42 accounts: 37 active, 3 past due & 2 in default. **Five loans were satisfied & eleven new loans** were made.



- **Feb** – 4<sup>th</sup> Qtr report showed 5% increase in Fund Activity Bal; Tublicks filed for bankruptcy; Chamber and RRVC request for funding [tabled]; \$3500 set aside
- **Apr**—Q1 report: funds available are limited due to large commitments made in Q4 2010 to Flex TM & Phoenix Housing; EDND Summer Conference in Wahpeton Announced; CVB request for Park and Rec Economic Contribution Study \$1,250 approved; \$9,100 to cover shortfall on TCS project; Defaults reserve for Tublicks set up not to exceed \$5,000.
- **Jun**— RRVC tabled to August; Remove '20% of sales tax shall be...' statement from Sales Tax Ordinance; \$10,000 grant for Petro Serve; approved 504 plan w PACE buydown for WCCO; approved maximum interest Buy down for Wil-Rich expansion.
- **Jul**—Approved \$60,000 to WCCO with Additional of \$58,000 on a pre-paid pass through basis to Community; opted out of Crazy Day sponsorship.
- **Aug**—Intro of Econ Impact Model; SBDC update; Care & Maintenance Program introduced, tabled to Oct. Mtg; Library application denied.
- **Oct**—SBDC request for 2012 budget approved at \$10,000 from JDA acct; \$95,000 match on TE grant; approved Econ Impact Model & begin implementing; PCI to be contacted to repay buy down used; Tublicks expenses continue.
- **Dec**—special EDC meeting held to hear request for \$92,200 on behalf of St. Catherine's/LSF assisted living project. Approved and recommendation forwarded to Council.

**HOUSING DEVELOPMENTS**

Two bi-level spec homes in NorthPark sold in 2011 and four vacant lots were purchased to construct two twin homes leaving 7 buildable lots available for 2012.

In Rosewood, only two lots remain for sale by year's end after starting the year with 19 lots [two of the lots became Park property]. An Ad-Hoc Committee on housing was formed to make recommendations and identify new areas.

**ROSEWOOD QUICK FACTS.....**

Total acreage purchased by CDC 2003: 27.29  
 Lot Sales 2011: \$ 159,111  
 Cost of Lots Sold 2011: \$ (259,440)  
 Expenses as of 12-31-11: \$ (1,855)  
 Net Income 2011: \$ (102,184)  
 Specials-Reserve Lot \$ 599  
 Phs II Taxes & Specials Annl Total: \$ 69,360  
*[paid December 2010]*

Total CDC owned lots in Phase I: 35  
 Lots sold May 2003-Dec 2006: 34  
 Total lots in Phase II: 36  
 Lots sold Aug 2006-Dec 2011: 21  
 Lots set aside for Park Area in 2010: 2  
 Twin homes built in Phase I: 4  
 Single Family homes built in Phase I: 26  
 Single Family homes built in Phase II: 8

Value of real property 2012: \$13,962,000  
 Value with current exemptions: \$12,342,200  
 Taxes Generated [use 2011 mill]: \$ 214,598  
 City share of new taxes 2005: \$ 15,794  
 City share of new taxes 2006: \$ 22,105  
 City share of new taxes 2007: \$ 39,971  
 City share of new taxes 2008: \$ 38,247  
 City share of new taxes 2009: \$ 43,010  
**City share of new taxes 2010: \$ 54,629**  
 City share of new taxes 2011: \$ 62,229  
 City share of new taxes 2012: \$ 66,592

*Property info provided by Carla Broadland, Assessor*

**NORTHPARK QUICK FACTS.....**

*Covenants Established December 7, 1998*

Number of lots [original plan]: 31  
 Number of lots post-plan: 28  
 Number of SF homes built: 17  
 Number of twin home lots: 4  
 Lots for sale at \$5,000 each: 7

**EXPANSIONS IN 2011**

The EDC approved PACE interest buy downs for WCCO Belting and Wil-Rich/Agco Amity.

Founded in 1954, **WCCO Belting** is a family-owned company and is the largest company of its kind leading the world in specialized rubber conveyor belting for both agricultural and light industrial uses. Expanding for a 3rd time in seven years, Belting's project is an estimated \$1,717,936 in improvements. The building size will increase another 22,500 SF and construct a concrete delivery road for better material handling flow and safer shipping/receiving. Seventeen more jobs will be added to the 150 they have.

**Wil-Rich/AGCO Amity JV LLC** will expend \$3.25 million to

construct a new paint and crane system.

Wil-Rich has been in business over 4 decades. AGCO, one of the world's largest agricultural companies started January 2011.

This added value project means another 80 employees over the next 3 years [up from 135 today] and will add workers in their Wishek, ND plant that was acquired in 2006.



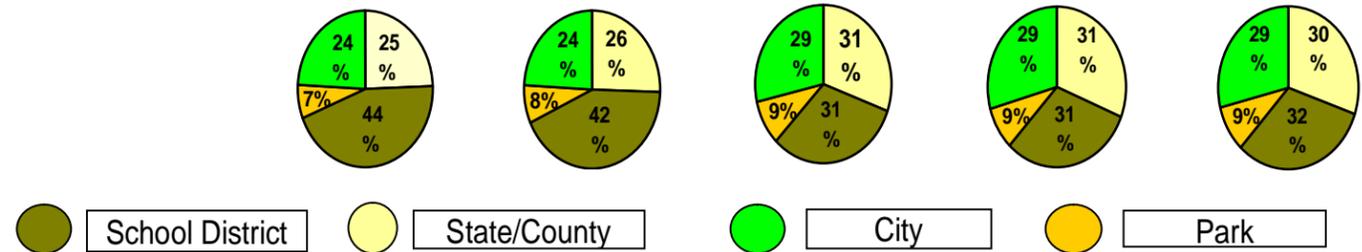
**GROWTH AT FORMER IMATION CAMPUS**

**Bobcat** brought its Hydraulics Manufacturing to Wahpeton in 2010 starting with 60 employees. They are almost 100 strong today building 127 different cylinders and 29 different valves supplying Bobcat lines such as loaders, compact excavators and attachments across the world. There's over 100,000 SF of manufacturing space and host 29 robots and 89 machines. Precision automation at its finest!

**ComDel Innovation and Heartland Precision** now make their home in two buildings on the campus. These are two of the southeast region's top innovation companies leveraging the latest technologies to best address the needs of their customers. Run by the same management team, CDI has grown steadily since its formation in 2007 touting precision machining, injection molding, metal stamping, and assembly operations. Heartland Precision was created in 2008 to address a regional need for threaded product and metal finishing technologies. The two companies combined employ 180 highly skilled workers.

**32 Acres**—The City of Wahpeton purchased the remaining acreage north of the Bobcat plant the fall of 2011 for a future Industrial Park. A master plan document is in the works for this area.

Mills Levied	2007	2008	2009	2010	2011
State/County	118.50	129.00	129.00	133.40	131.75
School District	213.99	213.41	134.08	133.85	137.93
Park	33.49	39.14	37.94	37.09	39.11
City	116.47	121.36	121.33	126.22	126.21
<b>Total Mill Rate</b>	<b>482.45</b>	<b>502.91</b>	<b>422.35</b>	<b>430.56</b>	<b>435.00</b>

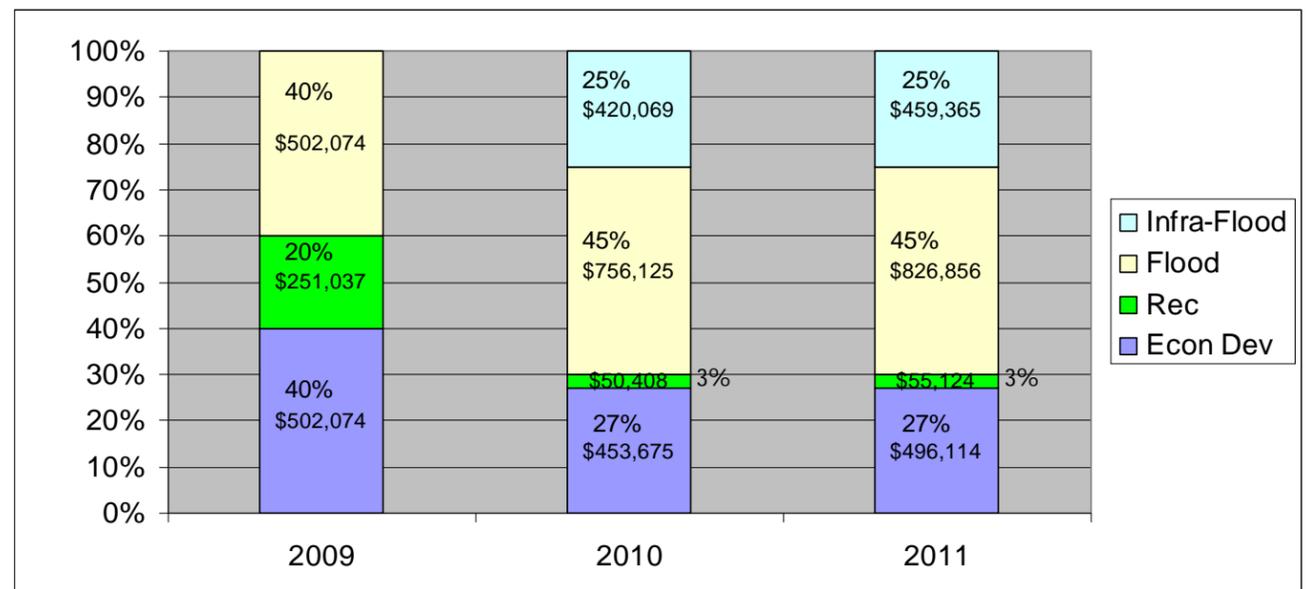


**Above: Allocation of property taxes collected from City of Wahpeton taxpayers 2007 - 2011**

Note the 16% tax reduction from 2008 to 2009 as a result of ND Senate Bill No. 2199 increasing State funding of school districts

*Graphic provided by Darcie Huwe, Finance Director*

**BELOW:** Established in 2005, the 40-40-20 percentage split served to identify sales tax collections for Flood Protection, Economic Development, and Recreation. When the additional 1/2 cent for Infrastructure and Flood was approved and began collections in 2010, these percentages shifted with Recreation receiving a smaller share [pent up demand projects had been funded] and flood and infrastructure needs were greater. Actual dollar amounts in 3 main areas are gradually returning to previous levels.



# TAX TIMELINE

<p><b>1991</b></p> <p>Special May Election approving 1% Sales Tax for Economic Development. Passed by 61%. Begin collecting July 1, 1991. Sunset 1996.</p>	<p><b>1994</b></p> <p>Jun 14 ballot to approve up to 1 million dollar set aside for new armory building and remove the sunset. 76% approval.</p>	<p><b>1999</b></p> <p>Jun 15 voters approved additional 1/2 cent tax for flood protection. 94% of the voters approved.</p>	<p><b>2003</b></p> <p>Oct 14 Special Election to approve broadening use for Econ Dev to also Flood, Recreation Center &amp; Community Development projects &amp; operations. 53% approved. Sunset to 2026 or until all encumbrances are paid.</p>	<p><b>2004</b></p> <p>Dec 14 Council motion to begin 40-33-20-7 percentage allocation split to begin January 2005. Flood uses 7% float for a 40-40-20 share.</p>	<p><b>2009</b></p> <p>Aug 18 Approved [89%] additional half cent for flood mitigation and infrastructure.</p>	<p><b>2011</b></p> <p>July 1 marks 20 years of city sales tax collections. Total 1991 through 12-31-2011: \$19,748,903.11</p>
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**TWENTY IN TWENTY:** Here are the top 20 projects that have impacted our regional community and were either assisted with sales tax dollars or collections grew as a result. In alphabetical order:

- Allied Health—NDSCS
- Bobcat—Wahpeton
- ComDel—Heartland Precision
- Dakota Avenue Reconstruction Project
- Flood Protection System
- Housing—NorthPark, Elm Court, Rosewood, Legacy Properties
- Imation Growth Initiative
- National Guard Armory Reserve Center
- Natural Gas Pipeline
- NDSCS Horton Hall
- NDSCS Stadium
- ProGold—Cargill
- Red Door Art Gallery
- Safe Route to Schools
- Stern Airport Expansion
- Town Centre Square Renovations
- Wahpeton Community Center
- Wal-Mart
- Waterslide
- WCCO Belting

## picture gallery...



**May 14, 1991** City of Wahpeton voters approved a 1% city sales and use tax, the proceeds of which are to be dedicated solely to economic development. Tax would become effective July 1, 1991. Beginning May 20, 2001, Ordinance No. 645, An Ordinance establishing a 7-member Economic Development Commission {EDC}.

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|---|--|
| <p><b>Chairmen of the Economic Development Commission:</b></p> <ol style="list-style-type: none"> <li>Dan Hodgson, 1991</li> <li>Steve Diederick, 1993</li> <li>Dennis Lindemann, 1994</li> <li>Gabe Hermes, 1997</li> <li>Russ Denault, 1999</li> <li>John Nyquist, 2002</li> <li>Alisa Mitskog, 2009</li> </ol> | <p><b>Economic Development Directors:</b></p> <ol style="list-style-type: none"> <li>Mary Jo McKenzie, 1991-1993</li> <li>Wally Stigen, 1993-1994</li> <li>Mark Krauseneck, 1995-1999</li> <li>2000-2004 as part of City Administrator</li> <li>Jane Priebe, 2005-present</li> </ol> |
|---|--|

First Funded Request: \$20,000 to the Chamber of Commerce  
 20 years later...\$92,200 grant to St. Catherine's/LSF Assisted Living Project [see photo below]