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What is Forward Devils Lake doing? That is a question that I am often asked as well as the board members of FDL, the County and City commissions. Forward Devils Lake was not only established to assist in new business development, but also established to assist in all business development.

What we all truly love to see is a business expansion from within our community. The existing businesses in Devils Lake do a terrific job at providing quality products which is a direct attribute of the quality employees in the Lake Region. Making sure these existing businesses remain a strong part of the economic future of the Lake Region is priority number one.

Assisting individuals with their dreams of starting their own business is also a goal of this office. Forward Devils Lake is one of several sponsors for the local Small Business Development Center and recently was able to establish a SCORE (Service Corp of Retired Executives) branch in Devils Lake. Both of these services provide business counselors that assist individuals either in business or starting a business with business planning and other small business issues. We provide the sponsorship which enables the counseling services to be free and confidential to the client.

What good is economic development? Aside from being the “go-to” office for all business development, FDL has the ultimate goal of new wealth creation for Devils Lake. A good return on our investment through wages paid to employees and other local expenditures by those companies is what it is all about. But what is a good return on investment?

Take for example a firm with 30 jobs paying \$8 per hour would have an annual payroll of about \$480,000 (assuming 50 weeks/year and 40 hours per week). Other in-state expenditures per employee typically include benefits, supplies, rent, and utilities etc. which total about \$1.18 per dollar of direct payroll. Applying those figures, we come to an annual estimated in-state expenditure of \$1.05 million. Based on an analysis by Larry Leistritz NDSU Department of Agricultural Economics using the North Dakota Input-Output Model, the estimated total annual impact is \$3.4 million including \$773,000 in additional retail sales, creating \$36,000 annually in added state sales and use tax revenues and about \$10,800 in local sales tax revenue. In addition, those thirty jobs tend to create secondary jobs within a community and elsewhere in the state.

Now, let's consider if those same thirty jobs pay \$11 per hour. The total annual economic impact increases to \$4.6 million of which \$1.06 million is estimated to be added retail sales. This translates into added state sales and use tax revenue of about \$49,000 and local sales tax revenue of more than \$14,700. Diving into the local sales tax amount a bit further, the Lake Region Growth Fund receives 8.75% of the local 1 1/2%

city sales tax. If we only consider the return on investment via the sales tax into the Growth Fund, the Growth Fund would receive \$1,286.25 per year from this project investment. At that rate an investment of \$500,000 into the \$11 per hour/30 jobs project would take 389 years for payback! However the community would see additional people paying property taxes keeping our streets, water and sewer up to date, retail sales keeping our retail stores viable, car sales, grocery sales, home sales, students in the schools etc. Until next month, feel free to stop in and visit or call me at 701-662-4933.