

Prairie Business

October 5, 2009

COVER STORY: Communities differ in use of economic development incentives to attract companies

SUCCESS STORIES

The National City, CA-based Knight & Carver Wind Group opened a wind turbine blade manufacturing facility in Howard, SD, in 2007 after receiving property tax incentives, revolving loan fund help, access to micro loans and short-term electric bill discounts. The Rural Learning Center, formerly known as Miner County Community Revitalization, also built the plant and signed Knight & Carver to a five-year lease.

Knight & Carver's employment has grown to 60 workers in Howard and the company is considering an expansion that could more than double the size of its 26,000-square-foot facility by next spring.

"Small rural communities have quite a bit of land," says Randy Parry, president of the Howard-based nonprofit Rural Learning Center, which helps rural communities with economic development, housing, leadership and collaboration. "We have a lot of land and we are fortunate to have an industrial park that is already set up. It takes a lot of collaborative partners like the Governor's Office of Economic Development, partners who can help with financing and getting the building built to take the risk away and get companies to come."

Global financial services company ING received financial incentives to open a 250-person service center in Minot, ND, in 1999. A decade later, ING's largest U.S. servicing center employs more than 900 in Minot.

"Economic development incentives make good business sense," says Jerry Chavez, president and CEO of the Minot Area Development Corporation. "Incentives are an expectation of businesses looking to expand. Communities should recognize there is a cost of doing business. There is a high start-up cost when a business moves to a new location. Incentives are looked at as a way to ease those costs."