DICKINSON, ND
OFFERING QUALITY OF PLACE

“COME TO DICKINSON FOR THE OPPORTUNITIES, STAY IN DICKINSON BECAUSE YOU LOVE IT!”

SHAWN KESSEL, CITY ADMINISTRATOR
MARCH 2014
Bakken 413 billion barrels of oil in place (mean) USGS says 7.4 billion barrels of & 6.7 trillion cubic feet of natural gas are recoverable Continental Resources – 24 billion barrels of recoverable oil -7 benches within the Bakken & Three Forks where oil is being extracted
Tyler formation – has produced 84 million barrels of oil. Vertical play until recently applied horizontal wells drilled in Oct. 2103. NDDMR predicts 3,000 wells drilled.
GROWTH IN DICKINSON
2013 BEST SMALL TOWN – LIVABILITY.COM
2013 2ND FASTEST GROWING BOOMTOWN - CNNMONEY
2012 3RD FASTEST GROWING MICROPOLITAN IN THE US – US CENSUS
2011 4TH FASTEST GROWING MICROPOLITAN IN THE US – US CENSUS

### Building Permit Issuance

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dickinson</td>
<td>$144,296,463</td>
<td>$408,735,488</td>
<td>183%</td>
</tr>
<tr>
<td>Minot</td>
<td>$204,560,200</td>
<td>$342,297,136</td>
<td>67%</td>
</tr>
<tr>
<td>Williston</td>
<td>$357,708,114</td>
<td>$470,101,124</td>
<td>31%</td>
</tr>
<tr>
<td>Fargo</td>
<td>$233,673,178</td>
<td>$292,635,872</td>
<td>25%</td>
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</tbody>
</table>

### Single Family Housing Permits

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Dickinson</td>
<td>137</td>
<td>589</td>
<td>330%</td>
</tr>
<tr>
<td>Fargo</td>
<td>231</td>
<td>306</td>
<td>32%</td>
</tr>
<tr>
<td>Minot</td>
<td>286</td>
<td>368</td>
<td>29%</td>
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<tr>
<td>Williston</td>
<td>310</td>
<td>208</td>
<td>-33%</td>
</tr>
</tbody>
</table>
THE FINANCIAL BIG PICTURE

Bakken/3 Forks Drilling

- APPROXIMATELY 10,000 PRODUCING WELLS IN ND
- 10,000 X $9M - $90,000,000,000

- OVER THE NEXT 20 YEARS . . .
- 40,000 REMAINING WELLS X $8M EACH = $320 billion yet to invest in ND mining

And that is just the Drilling, not including manufacturing, construction, and other industries
ARE WE BETTER OFF, FINANCIALLY, BECAUSE OF THE BOOM?

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$4,388,670</td>
<td>$16,428,510</td>
</tr>
<tr>
<td>Hospitality Tax</td>
<td>$554,009</td>
<td>$1,060,639</td>
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<tr>
<td>Occupancy Tax</td>
<td>$256,331</td>
<td>$597,266</td>
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<tr>
<td>Property Tax (Net)</td>
<td>$2,886,383</td>
<td>$3,462,321</td>
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<tr>
<td>Enterprise</td>
<td>$6,676,027</td>
<td>$11,373,655</td>
</tr>
<tr>
<td>Debt</td>
<td>$2,630,497</td>
<td>$65,000,000</td>
</tr>
<tr>
<td>City Op Budget</td>
<td>$7,522,143</td>
<td>$13,550,120</td>
</tr>
<tr>
<td>Capital Budget</td>
<td>$1,677,974</td>
<td>$132,000,000</td>
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</tbody>
</table>

Short term – NO; Long Term – Sure hope so
STATE FINANCIAL POLICY

GROSS PRODUCTION TAX 5%
• IN LIEU OF PROPERTY TAX
  • OHC - $375K PER % EMPLOYMENT
  • OHS - $125K PER % EMPLOYMENT
  • IMPACT GRANTS $240M
  • 4% HERITAGE FUND/$30M
  • 4/5 OF 5% 75% TO STATE
    • OHC 9%
    • 60% COUNTIES
    • 20% CITIES
    • 5% SCHOOLS
    • 6% TOWNSHIPS

OIL EXTRACTION TAX 6.5%
• IN LIEU OF PROPERTY TAX
  • 30% LEGACY FUND
  • 30% STATE GENERAL FUND
  • 20% RESOURCES TRUST FUND
  • 20% EDUCATION
    • 50% SCHOOLS TRUST FUND
    • 50% FOUNDATION AID FUND
BECOME THE COMMUNITY OF CHOICE

- Staff up as early as possible (Planning, Engineering, Police)
- Assess capacity of existing infrastructure
- Use time-limited PUD's instead of traditional zoning (flippers)
- Error on the side of overdesigning infrastructure
- Limit use of special assessments (leverage funds, in semi-dev areas)
- Manage relationships with other local Govt entities (County, etc)
- Become embedded into the leadership of advocacy groups (NDAOGPC)
- Develop a brand (What's your reputation?)
- Fund “sister agencies” appropriately (lump sum vs. % of revenue)
WEST RIVER COMMUNITY CENTER
BUILT IN 2004, BUILDING ADDITION NOW

COME TO DICKINSON BECAUSE OF THE OPPORTUNITIES AND YOU WILL STAY BECAUSE YOU LOVE IT!
COME TO DICKINSON BECAUSE OF THE OPPORTUNITIES AND YOU WILL STAY BECAUSE YOU LOVE IT!
BIESIOT ACTIVITIES CENTER, OPENED IN MAY 2010

COME TO DICKINSON BECAUSE OF THE OPPORTUNITIES AND YOU WILL STAY BECAUSE YOU LOVE IT!
96-MILE MAAH DAAH HEY TRAIL IN THE BADLANDS

COME TO DICKINSON BECAUSE OF THE OPPORTUNITIES AND YOU WILL STAY BECAUSE YOU LOVE IT!
COME TO DICKINSON BECAUSE OF THE OPPORTUNITIES AND YOU WILL STAY BECAUSE YOU LOVE IT!
BULLY PULPIT GOLF COURSE (HOLE #6)

COME TO DICKINSON BECAUSE OF THE OPPORTUNITIES AND YOU WILL STAY BECAUSE YOU LOVE IT!
ANY QUESTIONS?

“DISCUSSIONS IN DICKINSON” NEWSLETTER

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WWW.DICKINSONPLAN.COM

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