

Making the Best even Better!



Dakota Certified Development Corporation Board of Directors and Staff
From Left: John Phillips, Bruce Walker, Patsy Levang, Larry Mandigo, Pam Burnside, Tracy Whitney, Patrick Reinke, Jennifer Winterton, Ashley Bakkegard, Dan Carey, Michael Connor.

In October 2008, Dakota CDC hosted their Annual Meeting of Members and celebrated the new location with a Grand Opening Celebration. The Fargo-Moorhead Chamber hosted a Ribbon Cutting ceremony which was followed by an Open House Celebration.

We would like to thank everyone for stopping out to see our new location and for joining in the celebration. If you haven't yet had a chance to stop by please do so anytime!



Right: Larry Mandigo receiving certificate of appreciation from the FM chamber of Commerce. October 8, 2008

Congratulations to the Winners!
We had two drawings after our Open House:

Joel Simmons of SCORE
\$50 gift certificate to Acapulco Mexican Restaurant

Shelley Kegley of State Bank of Fargo
\$50 gift certificate to Santa Lucia Restaurant

From the Desk of the President

Perspectives, Observations and Ruminations

The SBA 504 Loan Program and the Stimulus Bill

The 504 funding mechanism has accomplished its mission for years; the severity of the current capital markets has resulted in very negative factors for potential 504 borrowers. A primary issue is that 504 loans are now beginning to be priced out of the market, not due to risk, but simply the lack of liquidity in the market for agency-guaranteed securities.

Another major industry concern is that the secondary market for 504 first mortgage loans has largely dried up. This is a problem for many 504 first mortgage lenders, who depend on the secondary market for their liquidity. The result is less access to 504 for many small businesses that are seeking to expand.

A solution for both issues is critical so that 504 and its job-creation ability can be a viable key component in helping the country out of the current recession. The following legislative actions should be considered for inclusion in any stimulus bill:

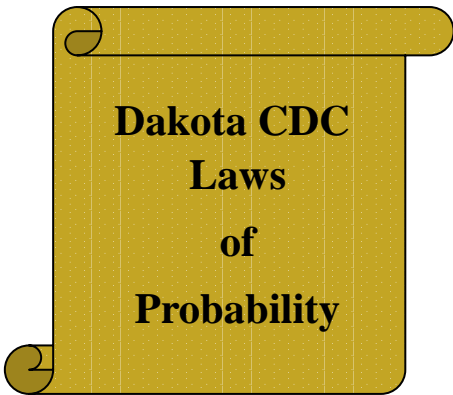
- Congress appropriate funds to reduce the one time fees for 504 borrowers. These fees would include the first mortgage lender fee, as well as the first year CDC servicing fee.
- Congress appropriate funds to reduce the interest rate by 1% for all 504 borrowers over the next year.
- Direct SBA to work with Congress, the CDC industry, and the first mortgage lending industry to develop a program to restore liquidity to the lending industry. This would enable more first-mortgage lenders to determine their necessary level of capital to expand their 504 program participation and provide loans to more small businesses.



- Direct SBA to issue standards that would enable existing 504 borrowers to utilize a reasonable portion of the equity in their property to help their companies. This should be done by allowing small businesses to refinance their existing first mortgages through a new 504 loan, provided they are current on their existing debt, that debt is seasoned, and SBA will be left with an appropriate loan to value.

We anxiously await the details of the legislation that will be proposed and the resulting changes to the SBA 504 Program. What those changes will be I don't know; however, I am certain there will be changes.

**Larry Mandigo
President**



**Dakota CDC
Laws
of
Probability**

The probability of being watched is directly proportional to the stupidity of your act

The severity of the itch is inversely proportional to the reach.

Welcoming the newest members of our Board of Directors

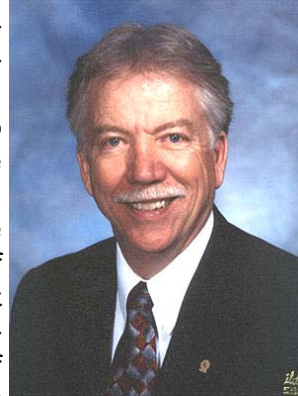
F. Bruce Walker

F. Bruce Walker has been President of Coldwell Banker 1st Minot Realty and Management since 1985. The firm is active in real estate development, property management, and the marketing of real estate. Bruce graduated from Minot High School, Minot State University and completed graduate work at the University of North Dakota. He was involved in Education in the Minot Public Schools from 1967 to 1984 as a classroom teacher and an administrator.

Civic involvement, leadership to youth, education, business, and his church have always been important to Bruce. He believes that personal efforts and contributions return in the form of a pros-

perous and thriving community. Some of his volunteer activities include: Appointed by Governor to North Dakota Workforce Development Council, Executive Board of the National Association of Home Builders, Minot Renaissance Zone Committee, Minot Chamber of Commerce, Minot Rotary Club (President 1998), Minot State University Board of Regents, Horatio Alger Association, Local Habitat for Humanity Board Chairman, Bethany Lutheran Church and Past Exalted Ruler of the Minot Elks Lodge.

Past achievements include: In 1989 Bruce was named "*Minot Realtor of*



F. Bruce Walker
Board Member

the Year", in 1993, he was named "*Builder of the Year*" by the Minot Association of Builders, and "*State Builder of the Year*" by the North Dakota Association of Builders. In 1999 Bruce received the "Golden Hammer Award" for outstanding support for Habitat for Humanity. In 2003 Bruce received the "Golden Award" for recognition of distinguished service to Minot State University. Bruce and his wife, Diane, have 4 grown children and 7 grandchildren.

John Phillips

John Phillips graduated from Towner High School and Minot State University. Graduated from MSC in 1968 with a BS degree in Business and began what became a 10 year teaching and coaching career. During the teaching years, John spent summers managing the Western 4-H Camp located near Washburn.

John left teaching and entered private business. Following the stint in private business, he became the development director for the City of Washburn. After serving 6 years in that capacity, John moved to Beulah where he has been the City Planner and De-

velopment Director for the last 23 years.

Achievements, Involvements and Accomplishments include: Chairman Mercer County Economic Development, Chairman Coal Conversion Counties, Member Lignite Energy Research Council, Executive Secretary Beulah Jobs Development Authority, Director Planning and Zoning Board, Director Beulah Airport Authority, Chairman Beulah Convention and Visitors Bureau, State Director Eco-



John Phillips
Sec./Treasurer

nomic Development North Dakota board, Church Council Finance Advisor, Board Member The Union Bank.

Awards received include the Governors Choice Professional Developer of the Year Award and the Washburn Distinguished Chamber Member Award.

John and his wife Lesley, live in Beulah, ND. They have two children, Heather and Bradley.



SBA 504 LOAN PROGRAM – A LENDING SUCCESS DURING U.S. CREDIT CRISIS

National Association of Development Companies (NADCO) reports SBA 504 loans encouraging business expansion remain available for America's small business entrepreneurs

One needs to look long and hard for even the smallest success in today's dramatic economic downturn. While virtually every analyst and pundit is wallowing in an economic forecast of doom and gloom, it may come as a big surprise, but the SBA 504 loan program is still helping North Dakota small businesses to expand ([see NADCO's 2008 Economic Impact Study](#)). No \$700 billion bailout, no Wall Street fallout, just Main Street small businesses that are turning SBA 504 loans into increased profits while adding employees and bolstering their local economy's tax base.

When the economy is strong and access to capital is relatively easy, there is typically less demand for SBA financing. In the case of the SBA 504 loan, a private sector lender partners with **DAKOTA CERTIFIED DEVELOPMENT COMPANY** to provide financing for the purchase, construction or renovation of owner-occupied commercial real estate. Use of the SBA 504 loan tends to become increasingly important as a source of long term financing when traditional sources of money decline as they have in recent months.

In spite of the credit crisis that has crippled many financial institutions and slowed lending for commercial expansion, Dakota CDC is supporting entrepreneurs in virtually every North Dakota market with SBA 504 loans for qualified small businesses. "The credit crisis has not frozen the SBA 504 loan program. Loans are still available for businesses seeking to grow through real estate acquisition, expansion of existing facilities, or purchase of new equipment," according to Dakota CDC President Larry Mandigo. "Dakota CDC, our banking partners and the SBA are doing business as usual and will continue to do so for the long haul."

SBA 504 loans provide a steady source of new long-term capital at a fixed rate, and frequently with only 10% down on a new project for a small business. These loans are the perfect tool for conserving cash for operating expenses. A vacant commercial property in a community can represent an opportunity for a small business owner who needs more space. Now may be the perfect time to consider expanding into a larger facility, or simply seizing the chance to buy a first building at an advantageous price.

About Dakota Certified Development Corporation

The Dakota Certified Development Corporation has been working with the Small Business Administration's 504 Loan program since 1983. With offices in Fargo and Bismarck Dakota CDC serves all of North Dakota. Dakota CDC is also certified to service the Minnesota counties of Becker, Clay, Ottertail, Polk and Wilken.

CUSTOMERS IN 2008

As we closed the doors on 2008...
 Dakota CDC welcomes the many changes that are to come in 2009.
 We would like to take this opportunity to thank all the businesses, bankers and
 people we had the pleasure of working with in 2008.
 We look forward to being able to serve you again in the future!

SBA 504 Approvals

(Oct 07-Sept 08)

Approved: 31
Loan Amount: \$11,960,000
Total Project: \$34,624,775

IRP & MicroLoan Approvals

(Jan 08-Oct 08)

Approved: 4
Loan Amount: \$302,744
Total Project: \$662,525

Loans Funded:

(Jan 08-Dec 08)

Bismarck/Mandan

Bob's Photo
 Focus Chiropractic
 Trucks, Trailers & More
 Agency MABU
 Prime Steer Restaurant, Inc.
 Raceday, Inc.
 Scotty's Drive In

Dickinson

JD's BBQ
 KinderKidz
 Meyer Family Chiropractic PC
 Special Occasions Bridal
 Serendipity Coffee House
 Cornerstone, Inc

Devils Lake

Admirations
 Ye Old Tavern, LLC

Fargo/West Fargo

Allergy & Asthma Care Center
 Dakota Air Parts Int'l
 Fargo Jet Center
 Santa Lucia, Inc.
 Speedway Restaurant
 Walcro, Inc.
 West Fargo Veterinary
 Woodcraft Specialties, Inc.

Grand Forks

American Defense Industries
 Interstate Drilling Services
 Road King Inn

Williston

Golf Enterprises
 Williston RV & Marine
 Stockman Motors

Other Great Places throughout North Dakota

Beulah Vision, Beulah	Earl's Repair, Casselton
Ewald Construction, Horace	HMB Grocery Store, Hazelton
Lincoln Kennels, Lincoln	Rugby Veterinary, Rugby
Stone Crafters, Minot	Wiggles and Giggles Daycare, Watford City

Special IRP Funds Available!!

Dakota CDC has established an economic development fund within Impact Foundation to support innovative initiatives that improve economic conditions in the State of North Dakota.

Any private business, non-profit entity, political subdivision, public body, special purpose district or authority serving rural areas with populations below 25,000 is eligible for these IRP Funds.

Other IRP eligibility requirements remain the same however, particular emphasis will be placed on offering these loans to **HEALTH** and **SAFETY** related organizations servicing rural North Dakota. (Examples: Fire and police departments, ambulance and health care services.)



Dakota CDC is an equal opportunity provider, employer and lender.

Dakota CDC

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 Fax: (701) 250-4304

> <http://www.dakotacdc.com>

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- > Jennifer Winterton, Loan/Office Asst.
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Board of Directors

- > Dan Carey, Fargo
Chairman
- > Michael Connor, Devils Lake
Vice Chairman
- > John Phillips, Beulah
Secretary/Treasurer
- > Marlowe Johnson, Jamestown
- > Patsy Levang, Keene
- > Bruce Walker, Minot

Congratulations!



Norah Dru Bakkegard
 Born: December 16, 2008 at
 11:18 am
 Weight: 6 pounds 7 ounces
 Length: 18 inches

* * * * *
**Ashley Bakkegard & husband Andy along
 with big sister Brynn welcomed
 Norah Dru Bakkegard into their lives on
 Dec. 16th 2008.
 Mom, baby & family are doing very well!**
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SBA 504 RATES

**10 Year Debenture Rate:
 February-6.831%**

**20 Year Debenture Rate:
 February-5.704%**