

IRP LENDING HELPS DAKOTA LINE CONTRACTORS MAKE IT HAPPEN

Bismarck, ND. After just one year working for a utility construction company, the founder of Dakota Line Contractors (DLC) desired to venture out on his own. With a vision of diversity and some networking, Eric Richard and five employees began work as Dakota Line Contractors in 1997.

Without the initial help from Lorraine Richard's brother, Claude Heidt, there may not have been any machinery to undertake the workloads being requested. Claude's assistance and his belief in Eric and Lorraine's ambition allowed the company to acquire a trencher-plow-bore combination machine and begin their journey to success.

What started as a sole proprietorship quickly evolved into a partnership. For the past eight years, a balanced team of husband and wife, Eric (the risk taker) and Lorraine Richard (the planner), have worked side by side to build a strong company. As a woman in the construction industry, Lorraine has felt the challenges of not always being recognized as knowledgeable in the industry. "I cannot (and will not) sit down on our Vermeer 50X100 bore machine and drill under Interstate 90 but I can inform you if we are able to tackle your job request, give you a price quote and tell you how long it should take to get it done." Lorraine can do more than answer these questions; she is the president of DLC. All matters concerning the office, personnel, accounting and finances go through Lorraine, which makes her the heart of the company.

Eric's desire to diversify initially sparked the formation of the company and led Eric to research horizontal direction drilling (HDD), also referred to

as boring. This relatively new technology permits workers to drill vertically and then from fifty to thou-

sands of feet horizontally. This technology allows for the more convenient burying of fiber optic cables, communication lines, gas and electric lines and the like. The company bought its first bore machine in 1998 and currently has seven bore machines. Lorraine states that, "While we still consider ourselves excavators, we are primarily HDD drillers. It has been with some trial and error that we have established ourselves a niche in the market."

In 2000 and 2001, the diversity of DLC allowed the company to expand into the communications construction field and become very successful. During this period 92% of the company's sales were derived from the communications industry. However, when the communications boom came to a low point; the company was forced to change their focus. In order to continue to move in the direction of success, Eric and Lorraine Richard turned to John Evanson, vice president of Dakota Community Bank in Bismarck. According to Lorraine, "Once we presented our situation to John, he recommended we look into an IRP loan." With the help of their local bank, John and Lorraine were able to obtain financing from Dakota Certified Development Corporation.

The heads of DLC were able to turn multiple high interest rate loans into a clear financial goal. "Our first IRP loan was a saving grace for us," said Lorraine. "With additional help from Dakota CDC and IRP lending, we



were able to purchase our last two bore machines." Creative financing tools provided by Dakota Community Bank and Dakota CDC have allowed DLC, now with over 15 employees, to grow and change with the times.

Throughout their growth, DLC has remained a loyal and dedicated contributor to the community. A good portion of their work is with the rural water development arena. Lorraine adds, "Each year Eric and I, along with a very good core crew of employees, take on "a job" at our local rural school. We believe it is important to put our efforts into our local community and pay back what we have been blessed with.

Quality and performance have never been jeopardized and Eric's philosophy of never letting the customer down has inspired a company motto of "Make it Happen". We predict that Dakota Line Contractors will continue making it happen in Bismarck, ND far into the future.



504 LOAN



Cool Treats in Devils Lake, ND

Devils Lake, ND. Fire alone cannot dampen the spirits of Lee Ann and Terry Johnston. In fact, it was that inspiration that brought the Devils Lake Dairy Queen back to life in a bigger and better fashion.

Located on a major US highway, the Dairy Queen that the Johnstons purchased in April of 2000 was originally built in 1949. When Terry and Lee Ann purchased the facility, it had already been relocated once and added on to twice. Its growth was limited since the facility lacked proper insulation and closed each year from October to March. Even with limitations, the Johnstons felt they could build an investment that they would someday proudly hand down to their daughter, Ashley.

As a national franchise, the business benefited daily from nationwide advertising and logo recognition. For five years the Johnstons worked to build a better and more efficient business. In that time alone they increased sales nearly 200 percent. Additionally, Lee Ann and Terry worked with their employees to improve the speed of business. "We try to train our employees to take care of customers in a timely manner," says Lee Ann.

Their employees play a large role in the enjoyable atmosphere of the Dairy Queen. "We have a lot of younger employees who bring a fun attitude to our business." The youth of their staff means that in some ways Lee Ann and Terry are helping to shape the future of Devils Lake. "We are happy to help some of them navigate the trials of holding down their first job!"

Despite their sales success and excellent staff, the Johnstons' best efforts toward growth were suddenly halted with an unforeseen closure. When the 2005 fire destroyed their restaurant they didn't walk away, they stepped up. They decided to take on all the hard work and start over. The plan was to demolish what was left of the structure and build a bigger and better facility.

Kelly Fischer, a loan officer from Western State Bank, suggested the Johnstons take advan-



Dairy Queen of Devils Lake's new building is a beautiful addition to the local community

tage of 504 financing from Dakota Certified Development Corporation. "He was a big help in filling out the paper work," says Lee Ann. 504 financing enabled Lee Ann and Terry to continue to work with their local bank and still obtain the large investment they needed.

In October of 2005 construction began on the new facility and in May of 2006, the new Dairy Queen opened its doors to the community. The new facility has more space and is open year-round. "We are very excited to have this beautiful new building. We have been told time and again what a great addition it is to our community."

The new Devils Lake Dairy Queen is bigger and better and works hard to be a good restaurant and community member. "We try to support all areas of the community including church groups, schools and service groups." The Johnstons hope is that the year-round facility will be able to play an even bigger role in the community. They look forward to being able support groups from the Devils Lake community as well as surrounding communities.

The Devils Lake Dairy Queen has been reignited however, the only flames remaining are those of a good burger and a bright future.

504 LOAN

Thanks to a shared passion, a unique child care center is open in Grand Forks, ND

Grand Forks, ND. While there may be hundreds of child care facilities in the state, there is not another quite as unique as this one located in Grand Forks, ND. Little Miracles is not only a child care center, it is a pediatric therapy center that services children with special needs and provides parents multiple services at one child care facility.

The dream of Little Miracles began when Tammy Saylor and Lana McArthur met through the Northeast Human Services Infant Development program. Tammy, a physical therapist, had been working with Lana's son, Alex, when the two discovered a shared passion for children with special needs. They decided to act on an idea of Tammy's that, when combined with Lana's experience in business administration, seemed perfect.

The vision of the center was to use their skills to provide excellent services for all children. The union of a child care and a therapy center would be a blessing for families who have children with special needs. "These children require several appointments and juggling schedules and family time can be challenging," Lana says, "Knowing that their child is in a wonderful child care center focused on the development of all children, and that their child's therapy will be incorporated into the daily routine, is very attractive to parents."

Tammy and Lana knew that their business plan would require a lot of effort. But when they received overwhelming responses from the professional community and area families, the two dove in and spent many nights budgeting, brainstorming and organizing. Despite all of the hard work, Lana and Tammy struggled with facility choices, decisions and preparations for the site. They visited many banks and were presented scenarios that just were not feasible.

"After one visit with Reggie Soholt, assistant vice president at First State Bank in Grand Forks, it was all clear," says Lana. "He recommended a package that included the 504 plan and things just fell into place. All of a sudden, Little Miracles was a viable business with great financial potential." Thanks to Reggie Soholt of First State Bank and Dakota CDC's 504 financing tailored to small businesses, Tammy's



Little Miracles Pediatric Therapy and Child Care Center hopes to establish itself as a facility that is committed to the well-being and growth of children.

and Lana's shared passion has been brought to realization.

Little Miracles Pediatric Therapy and Child Care Center opened on May 15, 2006 and with only a few months under their belt, the therapy center already employs three full time therapists and has a waiting list for all age groups. While there are added benefits in the center for children with special needs, Tammy and Lana point out that every child benefits regardless if they receive the additional services or not. The interaction between the children, "teaches children about diversity and compassion."

As the first center of its kind in the region, Little Miracles Pediatric Therapy and Child Care Center hopes to establish itself as a facility that is committed to the well-being and growth of children. With Tammy Saylor and Lana McArthur in the driver's seat, Little Miracles is geared to meet their goals and is on the road to success.

INSIDE DAKOTA CDC

**Justin Pearson**

has joined the Dakota Certified Development Corporation as a Commercial Loan Officer. He replaces Wendy Simek who resigned in March. Justin has seven years of experience in the financial industry focusing on credit and underwriting. He most recently was a Direct Lending Loan Officer with Bank of the West in Fargo. He has a degree in Banking and Financial Economics from the University of North Dakota. Justin's hometown is Bowman, North Dakota and he has been residing in Fargo for the past 4 years.

**Ashley Bakkegard**

has joined the Dakota Certified Development Corporation as a full-time Loan/Office Assistant. She replaces Jodi Arneson's part-time Administration Assistant position. Ashley is a North Dakota native from Valley City. She brings two plus years of experience in the life insurance and investment industry focusing on policy service and underwriting. Ashley most recently was an administrative assistant with Foster Klima & Company. Ashley attended the University of North Dakota, completing her degree in Finance.

IN THE NEWS

Impact Foundation Launches Government Procurement Assistance Center

Hires Christine Martin-Goldsmith as first Government Contracting Counselor

May 2006, Bismarck, North Dakota – Impact Foundation, a regional, donor-focused charitable organization, announced today the formation of The North Dakota Procurement Assistance Center (NDPAC), made possible by a \$100,000 grant from Dakota Certified Development Corporation, and \$200,000 in matching funds from the United States Department of Agriculture. The Center is designed to serve smaller North Dakota businesses in rural areas that have the potential to supply their products and/or services to federal, state and local governments. Christine Martin-Goldsmith has been hired as the Center's Government Contracting Director.

"We are fortunate to have someone of Christine's talent and dedication to small business owners in this important, new position," said Jerry Willer, chair of the Dakota Certified Development Corporation. "We created the Dakota Certified Development Fund within Impact Foundation to commit and secure additional resources for economic development initiatives which create and retain quality jobs in North Dakota. Christine is the right person to help us do just that."

Through the Center, Martin-Goldsmith will focus on guiding small businesses through the complicated process of successfully identifying, applying for, and managing government contracts. One-on-one technical assistance will focus on small, private businesses employing 50 or fewer employees, and having less than \$1 million in projected gross revenues.

"This is an exciting next step for Impact Foundation as we move forward to help make a difference in economic development for our state," said Pat Traynor, Impact Foundation executive director. "With the proper coaching, technical assistance and encouragement, smaller businesses in our state should be able to identify,

apply for and receive a much larger share of available government contracts."

Traynor said the Procurement Assistance Center's goal will be to secure at least \$40 million in new government contracts for businesses in the state over the next four years.

"The assistance provided through the Center will give our state's small business owners the knowledge and capacity they need to successfully compete in the governmental marketplace," said Clare Carlson, State Director, Rural Development, USDA. "A special focus of the Center will be to assist Native American owned businesses throughout North Dakota to expand the market for their goods and services to the federal government."

Christine Martin-Goldsmith will be based in Bismarck and brings an extensive background in economic development to the Center. Most recently, Martin-Goldsmith was state director for the Small Business Development Center, supervising 12 field offices and seven contractors offering business consulting and training to over 3,000 clients each year. She graduated in finance and economics from Sacramento State University, and has a Master of Business Administration from San Diego State University.

Impact Foundation is a "donor focused" philanthropic organization that shares executive management and administrative services with Dakota Medical Foundation. Its mission is to lead donor-driven initiatives and connect entrepreneurial donors with superior-performing non-profit organizations to maximize societal impact. Impact is funded through generous support from Dakota Medical Foundation, Alex Stern Family Foundation, and Dakota Certified Development Corporation and other like-minded donors.

DAKOTA CDC HAS IRP FUNDS AVAILABLE

Funded under the federal Intermediary Relending Program, the Dakota CDC has great rates and funds available to help finance (with local bank participation) business facilities and community development projects in rural North Dakota areas -- including cities with populations of up to 25,000.

The program's goal is to provide financing for community development projects, establishment of new businesses, expansion of existing businesses, and creation of new jobs or retention of existing jobs.

Visit our website at www.dakotacdc.com for more information and an application package!

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> **Gerald Fisher**, Dickinson

> **Marlowe Johnson**, Jamestown

> **Patsy Levang**, Keene

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> **Jennifer Burnside**, Newsletter author

504 Loan Closings / April - July 2006

Bismarck

Drengson Enterprises Inc. & Semi-Trailer
 Sales and Leasing
 First International Bank & Trust

FARGO

3D Printing, Inc.
 Vision Bank

Denning Fabricating, Inc.
 State Bank & Trust

Grand Forks

Little Miracles, Inc.
 First State Bank

Select Therapy, L.L.C.
 Bremer Bank

Telpro, Inc.
 Community Bank of the Red River Valley

Minto

Harriston-Mayo LLC
 Choice Financial Group

Minot

Tropical Tan, LTD
 First International Bank & Trust

West Fargo

Adelman Concrete & Excavating, Inc.
 Alerus Financial

SBA 504 RATES

**10 Year Debenture Rate:
 August - 7.451%**

**20 Year Debenture Rate:
 August - 6.88%**