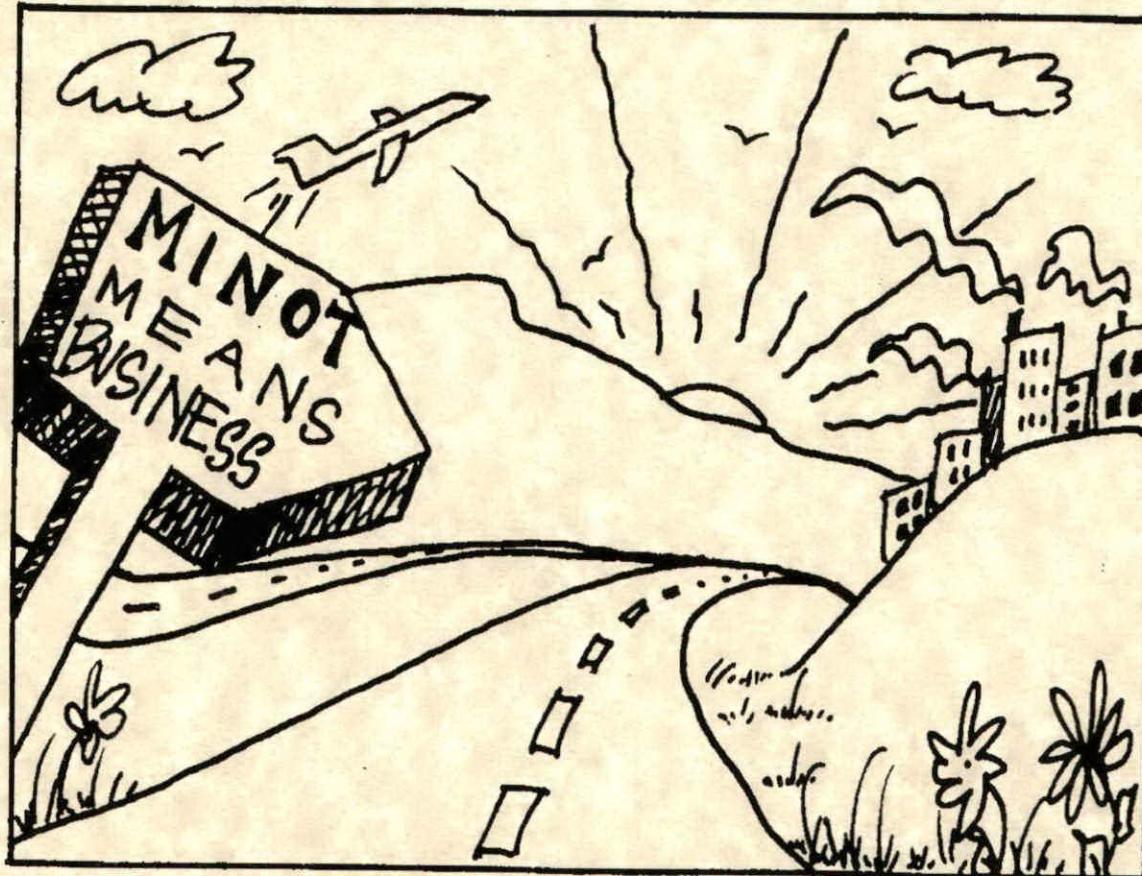


MAGIC FUND ANNUAL REPORT



**FOR THE PERIOD
JANUARY 1994-DECEMBER 1994**

With historical analysis from
the period July 1990-December 1994

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Volume I

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

BACKGROUND:

The Minot Area Growth through Investment and Cooperation (MAGIC) Fund General Policy Guidelines, as approved by the Minot City Council, require an annual report of the activities of the MAGIC Fund. This is the fourth MAGIC Fund Annual Report compiled by Minot State University's Business and Community Assistance Center (BCAC). This report attempts to ensure that every comparative measure of program performance was examined and evaluated. The following report details the job creation activities of the MAGIC Fund for 1994, then compares the results with the previously reported periods. This comparison provides insights to the maturation process of the MAGIC Fund.

PROPOSALS PROCESSED:

During 1994, the MAGIC Fund processed a total of 32 proposals from candidates requesting business funding assistance.

- ◆ 29 of these proposals were approved and applications were invited.
- ◆ 3 of the proposals were disapproved or failed for lack of an acceptance motion.

This brings the total number of proposals processed since July 1990 to 175. Of those proposals:

- ◆ 149 have been approved and applications were invited.
- ◆ 26 have been disapproved or failed for lack of an acceptance motion. These disapprovals are detailed in Volume II , Part I, Section E.

As a matter of historical reference, 85.1% of all proposals presented resulted in an invitation to apply for funding.

APPLICATIONS PROCESSED:

Invitations extended resulted in submission of 27 applications for projects funded during 1994.

- ◆ 27 of the applications were approved.
- ◆ 0 applications were disapproved.

This brings the total number of applications processed since July 1990 to 114. Of those applications:

- ◆ 112 have been approved for funding.
- ◆ 2 have been disapproved or failed for lack of an approval motion. These disapprovals are detailed in Volume II, Part II, Section E.

The historic application approval rate for the MAGIC Fund is 98.2%.

There have been 22 projects that requested funding for a variety of feasibility, planning, and consulting projects since 1990. These projects were ancillary to the MAGIC Fund's primary job creation/retention mission. Only two of these requests have been disapproved. Approvals in this category have obligated \$332,298. The approved actions are detailed in Volume II, Part II, Section H.

Approval of these 112 applications and the 22 miscellaneous projects has resulted in the obligation of \$4,671,260 of MAGIC Fund money.

RURAL COMMUNITY MARKETING ASSISTANCE (MARKETING MATCH PROGRAM):

During 1994, the MAGIC Fund continued to contribute to the economic development efforts of Northwestern North Dakota by providing from \$500 to \$2,000 directly to 45 communities. A total of \$64,250 was disbursed from this program in 1994 utilizing a funding matrix. Communities reported spending \$66,934 matching funds in support of this program. This matrix allocates funds based upon the community's requested match amount, community population, and the distance of the community from Minot. To date, \$195,650 has been disbursed to 45 communities. A community specific accounting of funding provided is contained in Volume II, Part III, Section B1, 2, and 3.

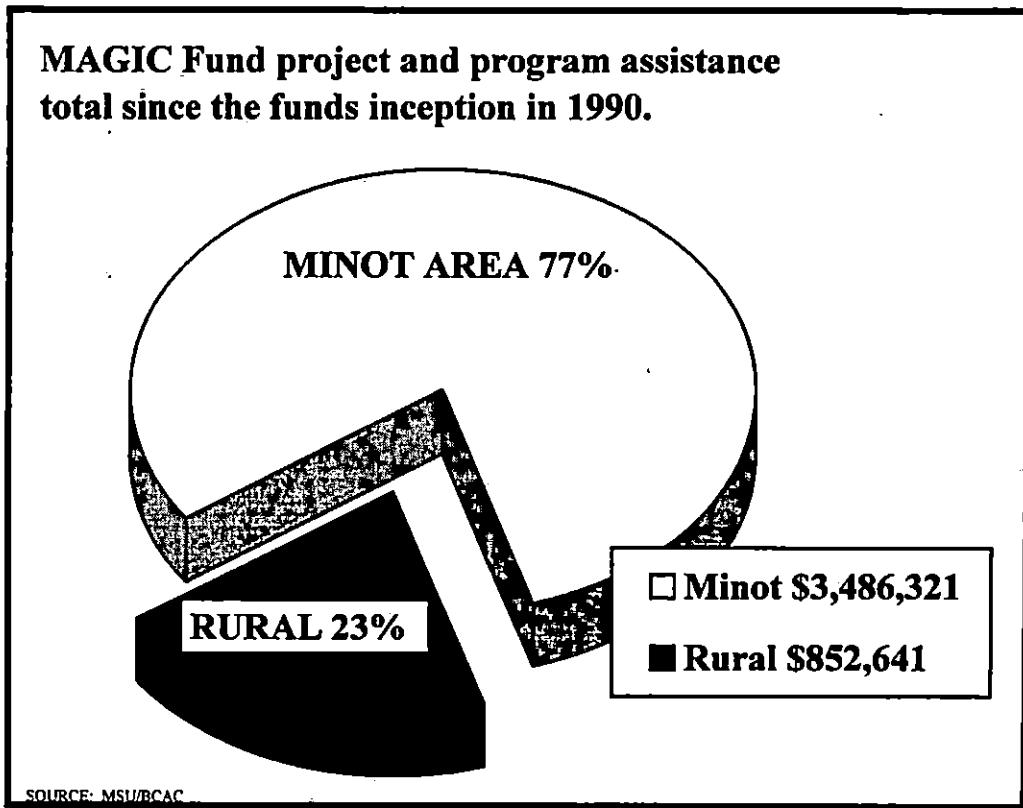
The MAGIC Fund Community Contracts require that rural communities match the MAGIC Fund's contribution dollar for dollar. Because of the wide variety of marketing uses the communities found for these funds, a detailed report of their uses has been included in Volume II, Part III, Section C.

Four additional communities in the Minot trade area have expressed an interest in receiving an invitation to participate in this program in 1995. These communities are Pick City, Center, Beulah, and Stanton.

JOB CREATION PROJECT ASSISTANCE:

During 1994, the MAGIC Fund provided direct job creation assistance to 27 projects.

- ◆ A total of \$901,100 was obligated to 15 job creation projects in the immediate Minot area.
- ◆ A total of \$192,000 was obligated to 12 job creation projects in 11 rural communities.



- ◆ A total of \$3,486,321 has been obligated to 48 job creation projects in the immediate Minot area since the fund's inception.
- ◆ A total of \$852,641 has been obligated to 53 job creation projects in 32 rural communities since 1990.

JOB CREATION EXPECTATIONS:

Applicants who have received MAGIC Fund funding were required to indicate the number of jobs that would be created as the result of the funded business project. A list of individual projects and the number of jobs intended by each business funded is detailed in Volume II, Part IV, Section A. The following summarizes funded employer's intention to create jobs by year of intended creation:

INTENDED JOBS (Full-Time Equivalent)

RURAL:

1991 FTE	1992 FTE	1993 FTE	1994 FTE	199X FTE	TOTAL MAGIC FUNDS PROVIDED
40.00	112.50	276.25	715.25	794.25	\$852,641

MINOT:

281.00	636.00	1,135.00	1,480.50	1,820.00	\$3,486,321
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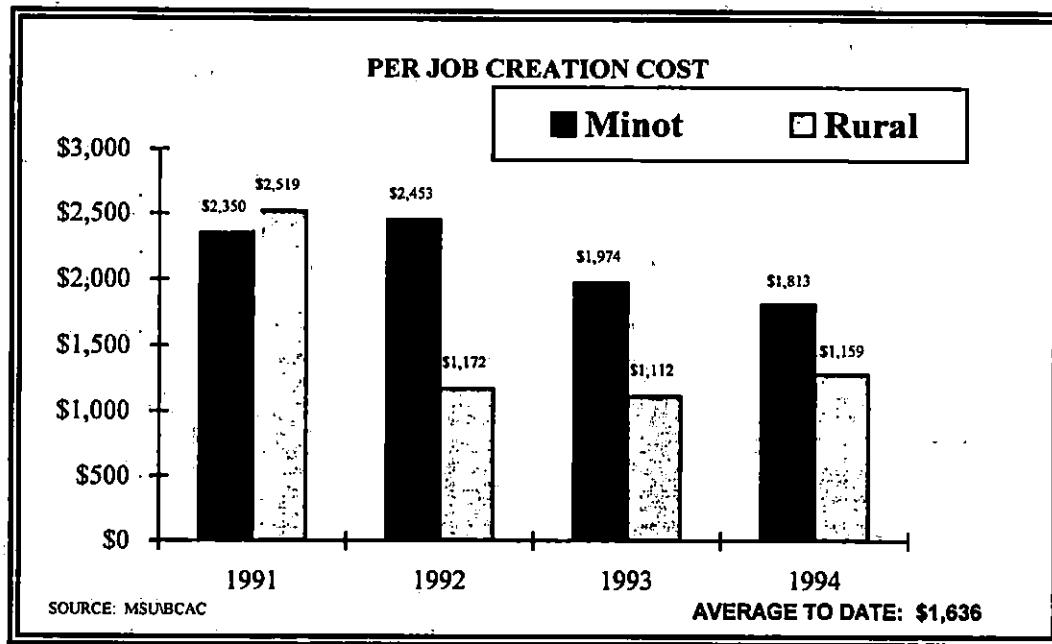
TOTAL:

321.00	748.50	1,411.25	2,195.75	2,614.25	\$4,338,962
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Business ventures funded since July 1990 have indicated their intent to provide a total of 2,614.25 FTE jobs on or before 1997. Minot utilized 80.3% of the total project funding provided by the MAGIC Fund to create 69.6% of the total intended jobs. Communities outside Minot utilized 19.7% of the total project funding to create 30.4% of the total intended jobs.

JOB CREATION COSTS:

The average individual job creation costs by year are depicted below.



As the MAGIC Fund matures, its overall per-job creation costs continue to decrease. The rural community's per job creation cost is an extremely positive reflection of the participating community's continued uses of both local and state funding sources. The MAGIC Fund's philosophy of requiring the financial participation of the host community, coupled with the use of state and federal funding sources, is ensuring that to the greatest degree possible, the financial risk of job creation ventures is being shared proportionately among those who stand to benefit.

ORGANIZATIONAL SIZE OF FUNDED VENTURES:

An analysis of the number of jobs intended in projects assisted indicates that 57.3% of the ventures funded by the MAGIC Fund intend to create between zero and ten jobs in their firms. A complete breakout of funded ventures by intended work force size is contained in Volume II, Part IV, Section C.

EMPLOYER'S INTENTION VERSUS ACTUAL JOBS CREATED/RETAINED:

An analysis of the funding recipient's intention to create jobs and the jobs that they actually created or retained, is contained in Volume II, Part IV, Section E. The following figures depict specific information that is most descriptive of the comparative results of the MAGIC Fund's job creation efforts.

MAGIC FUND FTE SUCCESS RATE

RURAL:

<u>YEAR</u>	<u>EMPLOYEES INTENDED</u>	<u>EMPLOYEES ACTUAL</u>	<u>PERCENT SUCCESS</u>
1991	40.00	33.00	82.5%
1992	112.50	96.75	86.0%
1993	276.25	214.00	79.1%
1994	715.25	351.00	49.1%

MINOT:

<u>YEAR</u>	<u>EMPLOYEES INTENDED</u>	<u>EMPLOYEES ACTUAL</u>	<u>PERCENT SUCCESS</u>
1991	281.00	258.00	92.2%
1992	636.00	462.25	72.7%
1993	1,135.00	879.50	77.5%
1994	1,480.50	1,117.00	75.5%

Again, we see the general maturation process at work. Overall, the MAGIC Fund has funded job creation projects which have created or retained 66.9% of the jobs envisioned by the funded applicants. This is a specific measure of the high quality of applicants being approved by this fund and thoroughness of the service providers who are packaging the projects. While there are no state or national averages for success in this area, a 60% success rate is generally considered by development professionals to be extremely high.

It should be noted that 51.6% of the jobs created/retained were created/retained by 3.3% of the funded businesses.

EMPLOYER'S AVERAGE INTENDED WAGE LEVELS VERSUS ACTUAL WAGE LEVELS (PER HOUR):

An analysis of the relationship of wage levels planned by funded organizations and the wage level actually achieved is provided below.

MAGIC FUND WAGE SUCCESS RATE

RURAL:

<u>YEAR</u>	<u>WAGES INTENDED</u>	<u>WAGES ACTUAL</u>	<u>PERCENT SUCCESS</u>
1991	\$ 6.23	\$ 5.56	89.2%
1992	\$ 7.05	\$ 6.47	91.8%
1993	\$ 7.64	\$ 8.31	108.8%
1994	\$ 6.82	\$ 7.61	111.6%

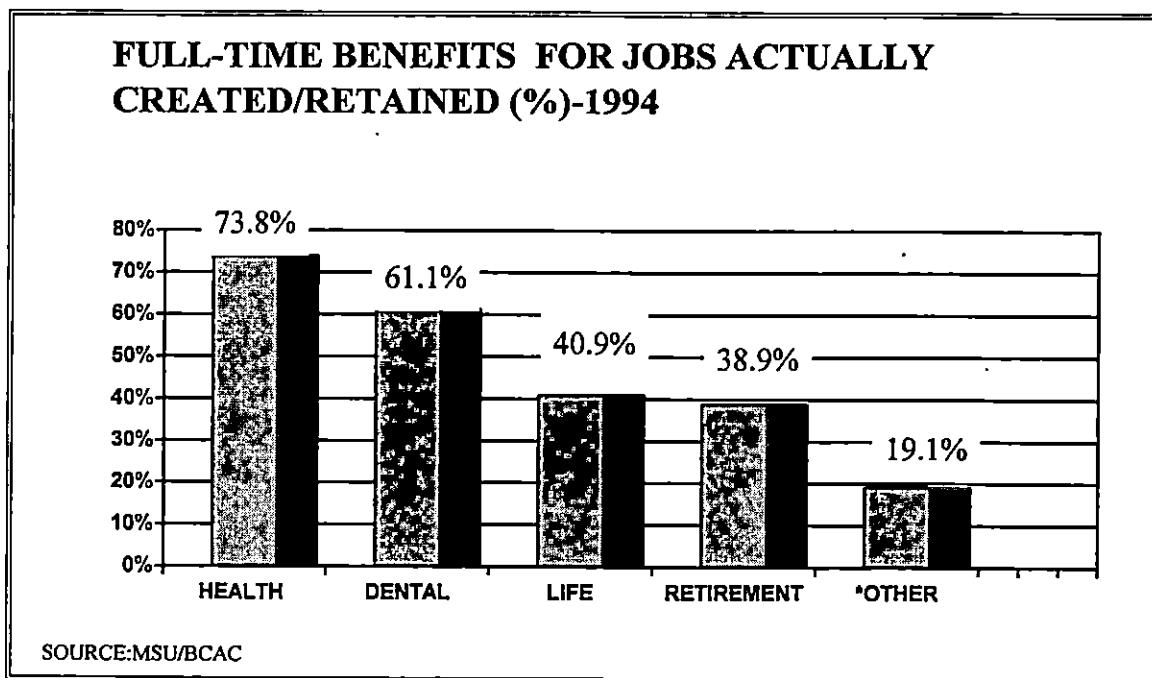
MINOT:

<u>YEAR</u>	<u>WAGES INTENDED</u>	<u>WAGES ACTUAL</u>	<u>PERCENT SUCCESS</u>
1991	\$ 6.98	\$ 6.77	97.0%
1992	\$ 7.27	\$ 7.29	100.3%
1993	\$ 9.04	\$ 9.28	102.7%
1994	\$ 7.92	\$ 10.38	131.1%

Wage rates are one of the absolute measures of economic vitality. They are also a measure of business commitment to the community. It is clear that funded ventures are, on average, experiencing the kind of success that fosters wage level development. This is material evidence that the MAGIC Fund's focus on recruiting and retaining "quality" projects has been successful.

FUNDED ACTIVITIES FRINGE BENEFIT PROGRAMS FOR JOBS CREATED/RETAINED:

The following chart shows the total percentage of fringe benefits for full-time jobs actually created/retained.



* Other includes vacation, sick leave, vision insurance, and employee discounts.

The idea of quality jobs is supported by the fringe benefit data shown. As a matter of record, 42% of the firms funded by the MAGIC Fund provided some form of fringe benefit package. The chart below depicts the fringe benefit programs for Rural and Minot jobs created.

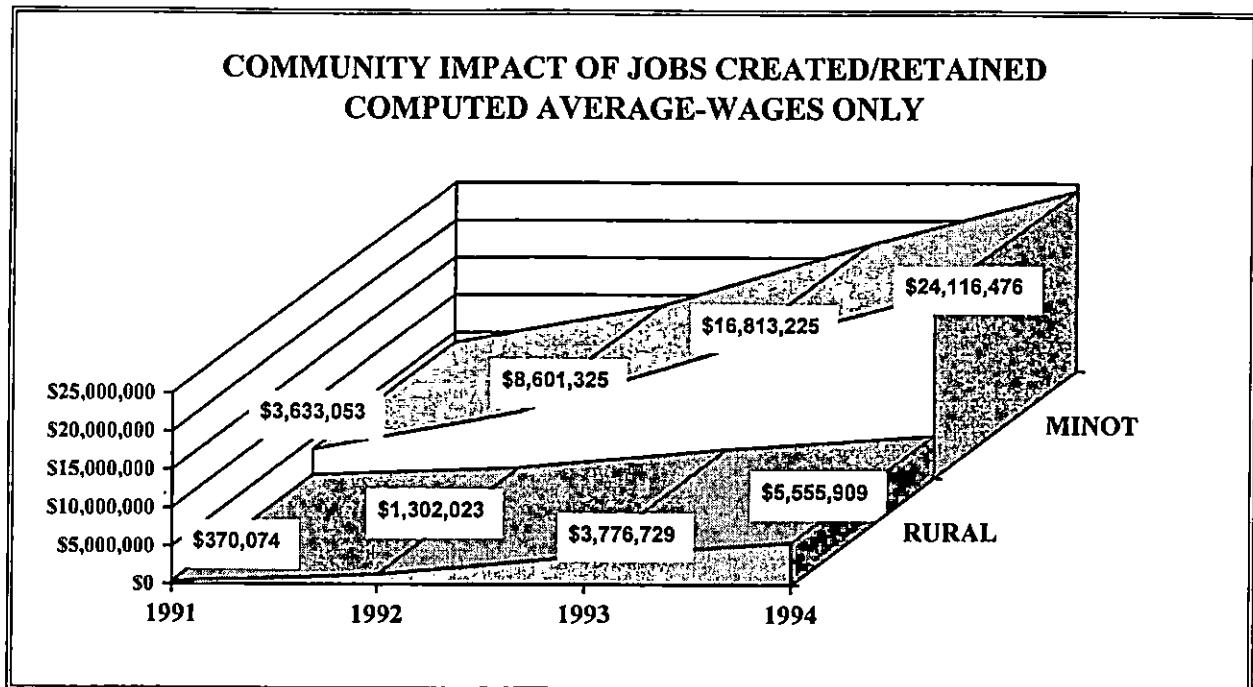
FRINGE BENEFITS BREAKDOWN - 1994

	HEALTH	DENTAL	LIFE	RETIREMENT	OTHER
MINOT	87.9%	77.9%	49.7%	48.3%	18.9%
RURAL	31.5%	10.8%	14.7%	10.8%	19.9%

Part-time jobs (less than 32 hours weekly) that offer fringe benefits package: 21.5%

FINANCIAL IMPACT OF JOBS CREATED/RETAINED:

An examination of the financial impact of the jobs that have been created/retained reveals the tangible value of the MAGIC Fund program. The figures shown below represent the impact of actual wages. No multiplier affect was used in these calculations.



WAGE IMPACT TOTAL TO DATE

MINOT	RURAL	GRAND TOTAL
\$53,164,079	\$11,004,735	\$64,168,814

The exponential nature of job creation projects and their wage impact over time are evident here. To date, funded businesses have returned \$14.79 in wages for every \$1.00 in MAGIC Fund money obligated.

RECAP OF RURAL FUNDING SUPPORT FOR BOTH PROJECTS AND PROGRAMS:

The following is a recap of the total amount of funding that has been allocated to programs and projects funded in the rural area.

FUNDING PROVIDED TO RURAL COMMUNITIES (CUMULATIVE)

YEAR	TOTAL MAGIC FUNDS PROVIDED RURAL COMMUNITIES (CUMULATIVE)
1991	Not Tracked
1992	\$689,331
1993	\$884,541
1994	\$1,048,291

In 1994, the MAGIC Fund went over the \$1.0 million mark in program and project funding provided to rural communities.

A report of the funds that have been provided to each community to pursue economic development goals is contained in Volume II, Part X.

FINANCIAL PACKAGING AND COMPLIANCE:

The following figures summarize how the MAGIC Fund Committee has been able to share the risk of job development by leveraging available MAGIC Fund monies with other funding sources.

MAGIC FUND FINANCIAL LEVERAGE ANALYSIS

AREA	MAGIC FUND CONTRIBUTION	FUNDS FROM OTHER SOURCES	LEVERAGE RATIO
Rural	\$ 852,641	\$10,133,316	\$1 to \$11.88
Minot	\$3,486,321	\$18,049,645	\$1 to \$5.18
TOTAL:	\$4,338,962	\$28,182,961	\$1 to \$6.50

The fact that the MAGIC Fund has been able to leverage \$6.50 for each dollar spent is material proof that public funds are being applied in a manner consistent with sound fiscal principles. On average, the MAGIC Fund provides 15.4% of the financing on projects in which it participates. The percent of financial contribution of the MAGIC Fund relative to the total cost of each project has averaged 8.4% for rural projects, and 16.2% for the projects in the immediate Minot area. These statistics are strong proof of the value of a community based job creation/retention fund which allows the community to leverage their funds for an optimum financial advantage.

FINANCIAL COMMITMENT BY CATEGORY:

The MAGIC Fund was not established on a revolving type development fund. The chart below depicts the major categories of funding provided since the fund inception.

FINANCIAL COMMITMENT BY MAJOR CATEGORY OF JOB CREATION ASSISTANCE (CUMULATIVE)

<u>CATEGORY OF ASSISTANCE</u>	<u>MAGIC FUND AMOUNT</u>
Loans	\$ 1,332,900
Grants	1,672,735
Equity Investments	107,000
Loan Guarantees	453,000
Interest Buy Downs	573,136
Rent Subsidies	200,191
Misc. Projects/Feasibility Studies	<u>332,298</u>
<i>TOTAL:</i>	<i>\$4,671,260</i>

The MAGIC Fund has continued to be sensitive to the need to create an investment climate that recognizes its responsibility to optimize the use of public funds. In creating jobs and wages, committee members have financially packaged the projects to insure that 40.4% of the funds obligated were obligated in a fashion that requires their return, or cancellation of the obligation, within the statutory life of the MAGIC Fund.

SATISFACTION OF MAGIC FUND PROJECT OBLIGATIONS:

The repayment rate of businesses who were approved for funding packages that involved repayment is as follows.

RATE OF REPAYMENT OF MAGIC FUNDS

<u>YEAR</u>	REPAYMENTS <u>REQUIRED</u>	REPAYMENTS <u>RECEIVED</u>	COLLECTION <u>EFFECTIVENESS RATE</u>
1991	\$ 0.00	\$ 0.00	0%
1992	10,559.00	8,023.00	76%
1993	83,407.22	56,784.00	68%
1994	96,708.91	94,919.86	98%

The repayment schedule for 19 firms commenced or continued during this reporting period. Three firms are delinquent \$23,080, and three firms have paid off their loans before required. Two of the companies that are delinquent have closed.

BUSINESS FRIENDS PROGRAM (PROJECT FOLLOW-UP):

A system of business follow-up was initiated in 1991. This program is jointly administered by the Minot Area Development Corporation and Minot State University's Business and Community Assistance Center. Business visitations were conducted in a variety of ways with varying frequencies. These visits are intended to insure that funded companies continue to remain viable economic entities. This program has continued to be a source of connection to businesses funded. A copy of the results of the rural business visits accomplished by BCAC Research Assistant, James Vollhoffer, is contained in Volume III of this report.

CONCLUSION:

The MAGIC Fund continues to serve as a catalyst for the industrial development of the Minot trade area. It is eminently clear that the MAGIC Fund's job creation success rate, coupled with its delivery of promised wages, and the quality of the jobs being created, make it one of the most successful funds of its kind. In addition, the relationships forged with state agencies, regional communities, development groups, and businesses, indicates that the MAGIC Fund will continue to be a major contributor to the economic health and vitality of Northwestern North Dakota.

It should also be noted that the BCAC received 15 requests for copies of the MAGIC Fund 1993 report. These copies were mailed to a variety of economic development and research activities outside North Dakota. The MAGIC Fund is often singled out as an example of community teamwork and a model of multi-community cooperation.

ACKNOWLEDGMENTS:

For Report Preparation Assistance:

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A very special thanks to my entire staff for their hard work and commitment in completing the MAGIC Fund data base.

Volume II

STATISTICAL REPORT DATA

The data in Volume II was obtained from past MAGIC Fund Reports. Original applications submitted to the MAGIC Fund Committee by each community/company. Submitted annual reports of jobs created/retained and wages by each of the community/company. All data as of December 31, 1994.

PART I - PROPOSALS PROCESSED

A. PROPOSALS PROCESSED (1994):

MONTH	APPROVED	DISAPPROVED	PROCESSED
January	2	0	2
February	2	0	2
March	2	0	2
April	0	1	1
May	2	0	2
June	1	1	2
July	5	0	5
August	5	0	5
September	3	0	3
October	4	1	5
November	0	0	0
December	3	0	3
TOTAL	29	3	32

B. PROPOSALS PROCESSED TO DATE:

MONTH	APPROVED	DISAPPROVED	PROCESSED
January	10	5	15
February	11	0	11
March	9	2	11
April	7	3	10
May	8	1	9
June	15	2	17
July	18	2	20
August	25	2	27
September	15	3	18
October	15	2	17
November	6	1	7
December	10	3	12
TOTAL	149	26	175

C. INVITATION TO APPLY RATE:

<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>HISTORICAL AVERAGE</u>
78.7%	93.8%	81.8%	90.6%	85.6%

D. PROPOSALS DISAPPROVED/RETURNED WITHOUT ACTION (1994):

<u>COMPANY</u>	<u>AMOUNT REQUESTED</u>	<u>REASON FOR DISAPPROVAL</u>
Accessible Space	\$37,500	Didn't Meet The Guidelines.
Arm Ez	10,000	Further Marketing Information Requested.
Central Dakota	50,000	Returned For Additional Information.

E. PROPOSALS DISAPPROVED/RETURNED WITHOUT ACTION TO DATE:

COMPANY	AMOUNT REQUESTED	REASON FOR DISAPPROVAL/RETURN
Accessible Space	\$37,500	Didn't meet the guidelines
Antler Press	5,000	Insufficient detail on project
Arm Ez	10,000	Further marketing information requested
Bear Contracting	Undetermined	Referred to venture capital group
Bottineau Winter Park	1,500	No motion
Central Dakota	50,000	Returned for additional information
Creative Media	10,000	No motion
Dakota Brand Manufacturing	65,000	Need details on management & outside investors (returned)
Dakota Rabbit Company	10,000	Money to be used for marketing. Only hiring 1 or 2 people for \$10,000
Equipment Chase	15,000	Lack of equity
Eslinger Motors	100,000	Failed for lack of motion
FORS-TEL	10,000	Retail type product - competition issue
Furball Factory	25,000	Insufficient equity
Generation Systems Business	60,000	Retail type
International Trade		
Development Service	5,000	No equity position by owners
Jackets By Price	10,000	Competition issue
Kid Cope, Inc.	4,000	Lack of motion
McKenzie JDA	50,000	Did not fit within the established guidelines
Mercer Engineering	37,000	Competition to other businesses - failed for lack of motion
Minot Wrecking	175,000	Failed for lack of motion
Prairie Produce	50,000	No manufacturing related to producing produce.
Railroad Museum	240,000	Did not meet MAGIC Fund criteria
Rolette Theater	10,000	Entertainment ventures not within guidelines
Sheridan County EDC	100,000	City of Bismarck should carry a substantial portion of the loan guarantee
Souris Basin Employees	15,000	Failed for lack of motion
Valleyview Falls	14,166	Entertainment ventures not within guidelines

PART II - APPLICATIONS PROCESSED

A. APPLICATIONS PROCESSED (1994):

MONTH	APPROVED	DISAPPROVED	PROCESSED
January	1	0	1
February	4	0	4
March	1	0	1
April	2	0	2
May	1	0	1
June	0	0	0
July	2	0	2
August	3	0	3
September	5	0	5
October	3	0	3
November	0	0	0
December	5	0	5
TOTAL	27	0	27

B. APPLICATIONS PROCESSED TO DATE:

MONTH	APPROVED	DISAPPROVED	PROCESSED
January	5	0	5
February	9	0	9
March	5	0	5
April	5	0	5
May	5	0	5
June	10	0	10
July	8	1	9
August	14	0	14
September	20	0	20
October	8	0	8
November	9	1	10
December	14	0	14
TOTAL	112	2	114

C. APPLICATION APPROVAL RATE:

<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>HISTORICAL AVERAGE</u>
94.1%	100.0%	100.0%	100%	98.25%

D. APPLICATIONS DISAPPROVED (1994):

<u>COMPANY</u>	<u>AMOUNT REQUESTED</u>	<u>REASON FOR DISAPPROVAL</u>
NONE	NONE	NONE

E. APPLICATIONS DISAPPROVED OR WITHDRAWN DURING PROCESS TO DATE:

<u>COMPANY</u>	<u>AMOUNT REQUESTED</u>	<u>REASON FOR ACTION</u>
Aggregate Computers	\$30,000	Disapproved-Competition
Furnipa	\$18,750	Income tax preparation Disapproved-No commitment
Jackets By Price	\$10,000	from financial institutions Withdrawn-Competition issue

F. APPLICATIONS WITHDRAWN BY COMPANY AFTER FUNDING APPROVED BY MAGIC FUND TO DATE:

<u>COMMUNITY/COMPANY</u>	<u>REASON FOR WITHDRAWAL</u>
BOTTINEAU Dakota Optical	Other funding did not materialize
MINOT Faxx Foods	Purchase not consummated
MOHALL Accel Dakota	Decided not to take the funds (request pending)
WATFORD CITY DBK, Inc.	Other funding did not materialize

G. COMMUNITY PROJECTS FUNDED TO DATE:

COMMUNITY/COMPANY	FUNDS APPROVED/OBLIGATED	REMARKS
BERTHOLD		
Larry's Meat Shop	\$ 1,500	Grant
Patchwork Enterprises	10,000	Loan Guarantee
BOTTINEAU		
Bottineau Winter Park	5,000	Grant
Chem Sharp	10,000	Loan
Dakota Optical	Withdrewn After Approval	
North Central Cattle Feeders	50,000	Loan Guarantee
Rodeo Shop Chaps	10,000	Interest Buy Down
BOWBELLS		
Bowbells Inn	10,000	5 Year Loan
Nelson Plumbing & Heating	4,000	Grant
BURLINGTON		
Yale Hoppers	4,000	3 Year Loan
CARPIO		
Carpio EDC (Cafe)	1,250	Interest Buy Down
CROSBY		
Crosby Self Serve	1,500	Interest Buy Down
Quality Pork Co-Op	25,000	3 Year Line of Credit
DES LACS		
Ag-Mate	20,000	Loan Guarantee
	60,000	Loan Guarantee
DEVILS LAKE		
Sagen, Inc.	500	Grant
DUNSEITH		
Image Systems, Inc.	20,000	Grant
ESMOND		
City of Esmond (SCI)	30,000	5 Year Loan

COMMUNITY/COMPANY	FUNDS APPROVED/OBLIGATED	REMARKS
FESSENDEN		
Nilles Drug	\$ 1,500	Rent Subsidy Grant
GARRISON		
Golden Age Aviation	5,000	5 Year Loan
GLENBURN		
Mickey's Kitchen	2,200	Grant
HARVEY		
Amberland Foods	2,500	Grant
Harvey Farmers Elevator	10,000	5 Year Loan
Harvey Tire Center	2,000	Interest Buy Down
T.J. Manufacturing	20,000	Loan
HAZEN		
Brite Flite	30,000	5 Year Loan
Impact Telemarketing	20,000	Loan
KENMARE		
Creative Industries	10,000	Interest Buy Down
	21,180	Interest Buy Down
Incabar	5,000	5 Year Loan
Kenmare Dental Clinic	4,000	Grant
Kenmare EDC (Pro Entry)	68,000	5 Year Loan
North Dakota Envelope Co.	15,000	Grant
	16,000	Interest Buy Down
LANSFORD		
Lansford Betterment (Beauty Shop)	1,010	Grant
M. Gates Manufacturing	20,000	Loan Guarantee
LIGNITE		
City of Lignite (Medical Clinic)	8,000	Loan Guarantee
MAKOTI		
Makoti Development Corp (Grocery Store)	5,000 5,000	5 Year Loan Equity Investments
MAX		
S & H Market	15,000	No Interest Loan

COMMUNITY/COMPANY	FUNDS APPROVED/OBLIGATED	REMARKS
MINOT		
Abacus Accounting, Inc.	\$100,000	2 Year Loan
Banton Ind.	35,000	5 Year Loan
Behren's Construction	35,000	Loan Guarantee
Bobco	30,000	Rent Subsidy
	20,000	Relocation Grant
	1,525	Business Plan Grant
Cal Dak Cabinets	15,000	5 Year Loan
Central Machine & Pump	39,803	Interest Buy Down
	7,000	Loan
	25,000	Loan Guarantee
Choice Hotels	400,000	Grant
	100,000	Loan Guarantee
Cloverdale Foods	17,356	Interest Buy Down
DD Schmidt	20,000	Loan
	30,000	Equity Investment
Dacotah Marketing	40,000	Loan
Dakota Custom Furniture	10,000	Loan
Degeleman Industries	16,500	5 Year Loan
Diversified Industries	87,000	Rent Subsidy
	13,000	Interest Buy Down
Edu-Craft	30,000	5 Year Loan
Faxx Foods	<i>Withdrawn After Approval</i>	
Fold-N-Form	75,000	5 Year Loan
FP Bourgault	90,000	Pace Int Buy Down
	50,000	Grant
	13,000	Grant - Water Ext.
Gold Star Parts	18,312	Interest Buy Down
Granite Springs Water	7,500	Interest Buy Down
Interstate Brands	150,000	Grant
Jackets By Price	35,415	Interest Buy Down
Lite Form, Inc.	100,000	5 Year Loan
Mikela Corporation	15,000	5 Year Loan
Miller Sheet Metal	3,900	Interest Buy Down
Minot Restaurant Supply	10,246	Interest Buy Down
Minot Vocational Workshop	53,200	Interest Buy Down
MSU(Small Business Mgt Prog)	20,000	Grant
Oral Logic	150,000	5 Year Loan
	50,000	Loan Guarantee
	30,000	Interest Buy Down
Pet Chef/GTZ	30,000	5 Year Loan

COMMUNITY/COMPANY	FUNDS APPROVED/OBLIGATED	REMARKS
<i>MINOT (con't)</i>		
Pro-Entry	\$ 30,000 20,000 72,000	Subordinated Loan Pace Int Buy Down Equity Investment
ProMark One	300,000 75,000 240,000	Grant Grant Grant
RFI, Inc.	19,336 21,500	Interest Buy Down Relocation Assist Grant
Rice Lake Products	16,500	Interest Buy Down
Scherr's Cabinet	7,488	Interest Buy Down
Science & Nature Int., Inc.	50,000	4 Year Loan
Soaring Eagle Outerwear	100,000 76,800 50,000 40,000	1 Year Loan Rent Subsidy Loan Guarantee Grant
Souris Basin Planning	135,000 135,000	Grant - RLF Grant - RLF
Terhorst Manufacturing	15,135 34,805 26,500 10,000	Interest Buy Down Interest Buy Down Interest Buy Down Interest Buy Down
Vertical Solutions	37,500	5 Year Loan
<i>MOHALL</i>		
Accel Dakota	<i>Not Funded - Withdrawn After Approval</i>	
Midwest Telemark	2,560	Interest Buy Down
<i>PLAZA</i>		
Plaza Betterment, Inc.	10,000	5 Year Loan
<i>POWERS LAKE</i>		
Northwest Veterinary Services	1,500	Interest Buy Down
<i>RAY</i>		
Pro Link	10,500	5 Year Loan
<i>RUGBY</i>		
City of Rugby (Robodyne)	130,000	5 Year Loan
St. Michel Rentals	2,500	Grant

COMMUNITY/COMPANY	FUNDS APPROVED/OBLIGATED	REMARKS
SAWYER Punkin Patch Pheasant Ranch	\$ 500	Grant
STANLEY IGF Insurance Stanley EDC (Jack & Jill)	6,391 25,000	Lease Buy Down 1 Year Loan
TOWNER Kelly Publishing Towner CDC (Dairy Project)	7,500 2,550 12,500	Grant Interest Buy Down Interest Buy Down
TURTLE LAKE Jesz Recycling	4,000	Grant
VALLEY CITY Heartland Products, Inc.	25,000 30,000	5 Year Loan 5 Year Loan
WATFORD CITY DBK, Inc. Iron Steer Ent., Inc.	Withdrawn After Approval 5,000	5 Year Loan
WESTHOPE Deva Lifewear	7,100 20,900	Interest Buy Down 10 Year Loan
TOTAL RURAL FUNDED:	\$852,641	
TOTAL MINOT FUNDED:	\$3,486,321	
GRAND TOTAL:	\$4,338,962	

H. MISCELLANEOUS PROJECTS FUNDED TO DATE:

COMPANY	PROJECT	AMOUNT FUNDED
Abacus	Independent Study	\$9,833
Aerospace Conference	Paid From Marketing Funds	6,000
Area Hospital Study	Study of Rural Hospitals	4,000
Central North American Trade Corridor	Start-up Assistance	10,000
City of Minot	Infrastructure Improvements For Specific Projects/water mains. Bourgault	96,900
Dairy Incentive Retention Program	Paid From Marketing Funds	5,940
Dairy Retention	Paid From Marketing Funds	5,000
Dakota Catalyst	Feasibility Study	20,000 (Not Used)
Joint Studies	Seminar	500
Joint Studies Center	NorDak Ambassadors	1,000
MSU/BCAC	Rural Development Workshop	2,000
MSU/BCAC	Community Incubator	5,625
Manufacturing Incubator	Feasibility Study	2,500
Minot Area Development Corporation	Canadian Marketing Grant	1,500 (Not Used)
Minot Chamber of Commerce	Horse Racing Feasibility Study	2,000
North Central Cattle Feeders	To Determine The Economic Development Potential Of Back Grounding Cattle Through A Co-Op	1,000
North Dakota Small Business Investment Corp	Investment	100,000
Northwest Bird Seed	Feasibility Study	2,000
Postal Retention Project	Fund Postal Retention Efforts	50,000
Ryan's Yogurt	Feasibility Study	1,500
Sawyer Beef	Slaughter Plant Feasibility Study	2,500
Soaring Eagle Outerwear	Management Consulting Service	2,500

TOTAL: \$332,298

I. MISCELLANEOUS PROJECTS NOT FUNDED TO DATE:

PROJECT	REASON
CVC Broiler Production Feasibility Study	Did Not Fit Within The MAGIC Fund Guidelines
Lewis and Clark Regional Development	Revolving Loan Fund - Out of Area

J. PROJECTS WITHDRAWN BY THE CLIENT WHILE IN PROCESS:

A-Just-A-Table
Applied Services
Dakota Catalyst
Samson Outfitters

PART III - MARKETING MATCH FUNDING FOR RURAL COMMUNITIES IN THE MINOT TRADE AREA

A. FUNDING FORMULA:

In 1992, the MAGIC Fund adopted a funding formula for the Marketing Match Program that recognizes the funded communities distance from Minot and population. In this funding formula, the MAGIC Fund approves a base figure, and the percentages indicated in the following population/distance matrix is applied to each community's request. This formula was continued in 1994.

If the Community Has a POPULATION of:	And the Distance from Minot is: UP TO 60 MILES	61 MILES TO 90 MILES	91 MILES OR MORE
1 to 499	75.00%	62.50%	50.00%
500 to 999	87.50%	75.00%	62.50%
1000 Plus	100.00%	87.50%	75.00%

(Percent of base figure authorized for payment)

1994 Base Figure: \$2,000

B. MARKETING MATCH FUNDING LEVEL TO DATE:

1. TOWNS WITHIN 60 MILES OF MINOT

COMMUNITY	1991 MATCH	1992 MATCH	1993 MATCH	1994 MATCH	TOTAL MATCH
Berthold	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000
Burlington	500	800	800	1,000	3,100
Carpio	0	500	500	500	1,500
Colcharbor	0	1,500	1,500	1,500	4,500
Garrison	1,500	2,000	2,000	2,000	7,500
Glenburn	1,500	1,500	1,500	1,500	6,000
Granville	0	0	1,500	1,500	3,000
Kenmare	1,500	2,000	2,000	2,000	7,500
Lansford	1,500	1,500	1,500	1,500	6,000
Makoti	1,500	1,500	1,500	1,500	6,000
Max	1,500	1,500	1,500	1,500	6,000
Mohall	0	0	1,750	1,750	3,500
Newburg	0	1,500	1,500	1,500	4,500
Parshall	0	1,750	1,750	1,750	5,250
Powers Lake & Battle View	0	0	1,250	1,250	2,500
Riverdale	0	1,500	1,500	500	3,500
Rugby	1,500	2,000	2,000	2,000	7,500
Sawyer	1,500	1,500	1,500	1,500	6,000
Sherwood	0	0	1,250	1,250	2,500
Stanley	1,500	2,000	2,000	2,000	7,500
Towner	1,100	1,750	1,500	1,500	5,850
Turtle Lake	1,500	1,500	1,500	1,500	6,000
Underwood	0	500	1,700	1,750	3,950
Velva	0	1,750	1,750	1,750	5,250
Westhope	0	1,750	1,750	1,750	5,250
TOTAL:	\$18,100	\$31,800	\$38,500	\$37,750	\$126,150

2. TOWNS WITHIN 61-90 MILES OF MINOT

COMMUNITY	1991 MATCH	1992 MATCH	1993 MATCH	1994 MATCH	TOTAL MATCH
Anamoose	\$ 0	\$ 0	\$ 0	\$1,200	\$1,200
Bottineau	1,500	1,750	1,750	1,750	6,750
Bowbells	1,500	1,000	1,250	1,250	5,000
Butte	0	0	0	800	800
Drake	0	0	0	1,500	1,500
Harvey	1,500	1,750	1,750	1,750	6,750
Karlsruhe	0	0	0	1,500	1,500
Lignite	0	0	1,000	1,000	2,000
New Town	1,500	1,500	0	1,750	4,750
Tioga	0	1,750	1,750	1,750	5,250
TOTAL:	\$6,000	\$7,750	\$7,500	\$14,250	\$35,500

3. TOWNS 91-MILES OR MORE OF MINOT

COMMUNITY	1991 MATCH	1992 MATCH	1993 MATCH	1994 MATCH	TOTAL MATCH
Alexander	\$1,500	\$1,000	\$1,000	\$1,000	\$4,500
Columbus	0	0	1,000	1,000	2,000
Crosby	1,500	1,500	1,500	1,500	6,000
Esmond	0	0	1,000	1,000	2,000
Grenora	0	0	0	1,000	1,000
Hazen	0	1,500	1,500	1,500	4,500
Leeds	0	1,250	1,250	1,250	3,750
Maddock	0	0	0	1,250	1,250
Ray	0	500	1,250	1,250	3,000
Watford City	1,500	1,500	1,500	1,500	6,000
TOTAL:	\$4,500	\$7,250	\$10,000	\$12,250	\$34,000

GRAND

COMMUNITY	1991 MATCH	1992 MATCH	1993 MATCH	1994 MATCH	TOTAL MATCH
TOTAL:	\$28,600	\$46,800	\$56,000	\$64,250	\$195,650

C. RURAL MARKETING MATCHING FUND USES (1994):

COMMUNITY	REMARKS
ALEXANDER	Developed brochures to promote the area and Upper Missouri Pro Guide Service. Developed a list of prospective business opportunities for former residents. MAGIC Fund: \$837.50 Community: \$837.50
ANAMOOSE	Purchased pull tab machines/with proceeds going to job creation. Created one part-time position. Developed community brochures. MAGIC Fund: \$1,200 Community: \$1,200
BERTHOLD	Purchased street signs. Assisted in starting a new business. MAGIC Fund: \$1,500 Community: \$1,500
BOTTINEAU	Travel expenses for Community Coordinator and Ms. Plasse from Out-of-State to visit the Pride Dairies. Helped putting together a financial package to purchase equipment. Developed new maps for hiking and biking. Turtle Mountain regional map and Bottineau/Metigoshe map. Recruitment expenses. MAGIC Fund: \$1,750 Community: \$1,873.11
BOWBELLS	Developed community brochures. Assisted in reopening of hardware and plumbing business. 1-1/2 new jobs. MAGIC Fund: \$1,250 Community: \$1,250
BURLINGTON	Funds used for advertising and promoting the Burlington area. MAGIC Fund: \$800 Community: \$800
BUTTE	Funds used to complete community survey project. Purchased materials for EDC booth. Developed area and local brochures. MAGIC Fund: \$800 Community: \$800
CARPIO	Funds used for advertising the area. Developed community brochures. MAGIC Fund: \$500 Community: \$500
COLEHARBOR	Funds have not yet been used.

COMMUNITY	REMARKS
HAZEN	Prepared and mailed two economic development newsletters. MAGIC Fund: \$1,500 Community: \$1,500
KARLSRUHE	Purchased a sign and developed a booth at Marketplace '95. MAGIC Fund: \$1,000 Community: \$1,000
KENMARE	Mailings and recruiting expenses. ED Director expenses. MAGIC Fund: \$2,000 Community: \$6,400
LANSFORD	Establish a potato salad manufacturing plant in existing building. Developing a feasibility study for the potato salad. Expect 3 to 6 new jobs. MAGIC Fund: \$1,250 Community: \$1,250
LEEDS	City sign made and put up on Highway 2. Cost of local growers meeting incurred by Farmers Choice Pasta. MAGIC Fund: \$1,250 Community: \$1,250
LIGNITE	Repair and maintenance on the building owned by the EDC. MAGIC Fund: \$1,000 Community: \$1,000
MADDOCK	Funds have not yet been used. Want to purchase new community signs.
MAKOTI	Community advertising. Grocery store fund drive. Local promotions and projects MAGIC Fund: \$800 Community: \$800
MAX	Start-up a data entry computer program. Trained 5 individuals and are training 5 more for this program. Three individuals are working with this program at this time. Developed a letter writing program. MAGIC Fund: \$1,500 Community: \$1,500
MOHALL	Funds have not yet been used. Planning to develop a video. Possibly hiring a part-time economic development person
NEWBURG	Purchased and maintained the bowling alley. MAGIC Fund: \$1,500 Community: \$1,500

COMMUNITY	REMARKS
NEW TOWN	Developed a tourism brochure. MAGIC Fund: \$600 Community: \$600
PARSHALL	Billboard advertising on Highway 23 for the Parshall area. Newspaper ads and purchased office equipment and supplies for Mountrail County Job Authority office. MAGIC Fund: \$1,750 Community: \$1,750
POWERS LAKE - BATTLE VIEW	Funds have not yet been used. Plan to use in the next 3 months for city signs. Start craft assignment shop. Start adult computer education class.
RAY	Developed community brochures and highway billboard signs. Joined the Coalition of Communities. MAGIC Fund: \$1,250 Community: \$6,524.22
RIVERDALE	Leased land for promotional sign on Highway 83. MAGIC Fund: \$500 Community: \$500
RUGBY	Visited business prospects, including travel and promotional materials. MAGIC Fund: \$2,000 Community: \$2,000
SAWYER	Actively pursuing container manufacturing plant to locate in Sawyer. Study possibilities for new housing in Sawyer. MAGIC Fund: \$700 Community: \$700
SHERWOOD	Financed a market survey for a Canadian business who is interested in moving to Sherwood. MAGIC Fund: \$1,250 Community: \$1,250
STANLEY	Pursued BCAC lead to New Jersey. Funded EDC Executive Secretary. Established full-time Mountrail County Job Development Director. Pursued Western North Dakota Veterans Home site. MAGIC Fund: \$2,000 Community: \$2,000
TIOGA	Design, construction, and placement of a sign at the intersection of 2nd Street and Highway 40. MAGIC Fund: \$1,750 Community: \$1,750

COMMUNITY	REMARKS
TOWNER	Recruiting dairymen and promoted Towner area and Winger Cheese. Goal is to recruit dairymen with 5,000 cows. MAGIC Fund: \$1,150 Community: \$1,150
TURTLE LAKE	Developed a highway sign to promote the area. MAGIC Fund: \$1,500 Community: \$2,500
UNDERWOOD	Purchased and installed a sign by Falkirk Mine entrance. In the process of developing brochure. MAGIC Fund: \$200 Community: \$200
VELVA	Developed a community information/promotional literature. Matched funds for project business plan/grant application. MAGIC Fund: \$1,750 Community: \$1,750
WATFORD CITY	Updated Marketing plan. Assisted local trailer manufacturer in developing a marketing plan. Created and retained 2 jobs. Developed and published a vacation guide. MAGIC Fund: \$1,500 Community: \$1,500
WESTHOPE	Developed a brochure. Helped purchased surgers for a business. MAGIC Fund: \$1,750 Community: \$8,224

FUNDS SPENT:	MAGIC FUND	COMMUNITY
TOTAL:	\$49,662.50	\$66,933.83

PART IV - JOBS CREATED/RETAINED

A. EMPLOYER'S INTENTION (FULL-TIME EQUIVALENT) TO DATE:

COMMUNITY/COMPANY	1993 FTE	1994 FTE	199X FTE
<i>BERTHOLD</i>			
Larry's Meat Shop	0.00	2.00	2.00
Patchwork	5.00	5.00	5.00
<i>BOTTINEAU</i>			
Bottineau Winter Park	0.00	0.00	0.00
Chem Sharp	0.00	1.00	11.00
Dakota Optical	<i>Withdrawn After Approval</i>		
North Central Cattle Feeders	0.00	17.00	17.00
Rodeo Shop Chaps	5.00	5.00	5.00
<i>BOWBELLS</i>			
Bowbells Inn	3.00	<i>Sold</i>	
Nelson Plumbing & Heating	0.00	1.00	2.00
<i>BURLINGTON</i>			
Yale Hoppers	1.00	3.00	<i>Closed</i>
<i>CARPIO</i>			
Carpio EDC (Cafe)	1.50	1.50	1.50
<i>CROSBY</i>			
Crosby Self Serve	0.00	2.50	35.00
Quality Pork Co-Op	3.00	4.00	4.00
<i>DES LACS</i>			
Ag-Mate Manufacturing	15.00	15.00	15.00
<i>DEVILS LAKE</i>			
Sagen, Inc.	1.00	1.00	1.00
<i>DUNSEITH</i>			
Image Systems, Inc.	23.00	29.00	29.00
<i>ESMOND</i>			
City of Esmond (SCI)	26.00	45.00	45.00
<i>FESSENDEN</i>			
Nilles Drug	1.00	1.00	1.00

COMMUNITY/COMPANY	1993 FTE	1994 FTE	199X FTE
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GARRISON

Golden Age Aviation	2.00	2.00	2.00
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GLENBURN

Mickey's Kitchen	<i>Sold</i>
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HARVEY

Amberland Foods	3.00	3.00	3.00
Harvey Farmers Elevator	5.50	9.50	9.50
Harvey Tire Center	2.00	2.00	2.00
TJ Manufacturing	0.00	6.00	8.00

HAZEN

Brite Flite	10.00	15.00	15.00
Impact Telemarketing	0.00	24.00	44.00

KENMARE

Creative Industries	7.00	9.00	9.00
Incabar	0.00	2.00	7.00
Kenmare Dental Clinic	4.00	4.00	4.00
Kenmare EDC (Pro-Entry)	23.00	23.00	23.00
North Dakota Envelope Co.	0.00	4.00	8.00

LANSFORD

Lansford Betterment (Beauty Shop)	2.00	2.00	2.00
M. Gates Manufacturing	3.00	3.00	3.00

LIGNITE

City of Lignite (Medical Clinic)	0.25	0.25	0.25
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MAKOTI

MDC (Grocery Store)	0.00	3.00	3.00
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MAX

S & H Market	<i>Sold</i>
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MINOT

Abacus Accounting, Inc.	4.00	62.00	62.00
Banton Ind.	0.00	21.00	21.00
Behren's Construction	4.00	4.00	4.00
Bobco	24.00	24.00	<i>Closed</i>
Cal Dak Cabinets	10.00	11.00	11.00
Central Machine & Pump	16.00	22.00	22.00

COMMUNITY/COMPANY	1993 FTE	1994 FTE	199X FTE
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<i>MINOT (con't)</i>			
Choice Hotels	150.00	150.00	150.00
Cloverdale Foods	0.00	14.00	14.00
Dacotah Marketing	0.00	25.00	42.00
Dakota Custom Furniture	6.00	6.00	6.00
DD Schmidt	14.00	14.00	14.00
Degelman Industries	0.00	13.00	22.00
Diversified Industries	52.00	52.00	52.00
Edu-Craft	5.00	10.00	10.00
Faxx Foods		<i>Withdrawn After Approval</i>	
Fold-N-Form	0.00	50.00	50.00
FP Bourgault	0.00	0.00	100.00
Gold Star Parts	8.00	8.00	8.00
Granite Springs Water	0.00	10.00	11.00
Interstate Brands	245.00	245.00	245.00
Jackets By Price	12.00	17.00	17.00
Lite Form, Inc.	19.00	19.00	19.00
Mikela Corporation	0.00	0.00	8.00
Miller Sheet Metal	3.00	3.00	3.00
Minot Restaurant Supply	12.00	12.00	12.00
Minot Vocational Workshop	0.00	0.00	38.00
MSU(Small Business Mgt)	0.00	0.00	1.00
Oral Logic	155.00	165.00	165.00
Pet Chef/GTZ	15.00	15.00	<i>Sold</i>
Pro-Entry	77.00	77.00	77.00
ProMark One	194.00	286.00	510.00
RFI, Inc.	28.00	28.00	<i>Closed</i>
Rice Lake Products	0.00	2.00	9.00
Scherr's Cabinet	2.00	2.00	2.00
Science & Nature Int., Inc.	26.00	33.00	<i>Closed</i>
Soaring Eagle	50.00	50.00	50.00
Souris Basin RLF	0.00	0.00	0.00
Terhorst Manufacturing	4.00	28.50	57.00
Vertical Solutions	0.00	2.00	8.00

<i>MOHALL</i>			
Accel Dakota		<i>Not Funded - Withdrawn After Approval</i>	
Midwest Telemark	0.00	21.00	21.00

<i>PLAZA</i>			
Plaza Betterment, Inc.	10.00	10.00	10.00

<i>POWERS LAKE</i>			
Northwest Veterinary Service	0.00	4.50	8.00

COMMUNITY COMPANY	1993 FTE	1994 FTE	1995 FTE
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RAY

Pro-Link	0.00	25.50	25.50
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RUGBY

City of Rugby (Robodyne)	50.00	278.00	278.00
St. Michel Rentals	0.00	14.50	14.50

SAWYER

Punkin Patch Pheasant Ranch	2.00	6.00	6.00
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STANLEY

IGF Insurance	10.00	10.00	10.00
Stanley EDC (Jack & Jill)	11.00	11.00	<i>Sold/Closed</i>

TOWNER

Kelly Publishing	10.00	10.00	10.00
Towner CDC (Dairy Project)	0.00	8.00	8.00

TURTLE LAKE

Jesz Recycling	13.00	13.00	13.00
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VALLEY CITY

Heartland Products, Inc.	20.00	20.00	35.00
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WATFORD CITY

DBK, Inc.	<i>Withdrawn After Approval</i>		
Iron Steer Ent., Inc.	4.00	10.00	10.00

WESTHOPE

Deva Lifewear	0.00	29.00	29.00
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RURAL	276.25	715.25	794.25
MINOT	1,135.00	1,480.50	1,820.00

TOTAL:	1,411.25	2,195.75	2,614.25
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B. PER JOB CREATION/RETENTION COSTS (INTENDED):

	1991 (BASE YEAR)	1992	1993	1994
RURAL	\$2,519	\$1,172	\$1,112	\$1,159
MINOT	\$2,350	\$2,453	\$1,974	\$1,813

C. JOB CREATION PROJECTS BY NUMBER OF JOBS TO DATE:

NUMBER OF JOBS INTENDED	NUMBER OF FIRMS ASSISTED	PERCENT
0-10	51	57.3%
11-25	21	23.7%
26-50	8	9.0%
51-100	4	4.4%
101-150	1	1.1%
151-200	1	1.1%
201 or more	3	3.4%
<i>TOTAL</i>	89	100.0%

**D. EMPLOYER'S ACTUAL FULL-TIME EQUIVALENT JOBS
CREATED/RETAINED TO DATE:**

COMMUNITY/COMPANY	1991	1992	1993	1994
	ACTUAL FTE	ACTUAL FTE	ACTUAL FTE	ACTUAL FTE
BERTHOLD				
Larry's Meat Shop	0.0	0.00	0.00	2.00
Patchwork	5.0	5.00	1.00	1.00
BOTTINEAU				
Bottineau Winter Park	0.0	6.00	1.50	3.75
Chem Sharp	0.0	0.00	0.00	2.50
Dakota Optical			<i>Withdrawn After Approval</i>	
North Central Cattle Feeders	0.0	0.00	0.50	.75
Rodeo Shop Chaps	3.0	3.00	3.25	3.25
BOWBELLS				
Bowbells Inn	0.0	4.00	2.00	<i>Sold</i>
Nelson Plumbing & Heating	0.0	0.00	0.00	0.00
BURLINGTON				
Yale Hoppers	0.0	1.50	1.00	<i>Closed</i>
CARPIO				
Carpio EDC (Cafe)	0.0	3.00	4.25	4.25
CROSBY				
Crosby Self Serve	0.0	0.00	0.00	5.50
Quality Pork Co-Op	0.0	1.00	3.50	3.50
DES LACS				
Ag-Mate Manufacturing	9.0	12.00	15.00	7.00
DEVILS LAKE				
Sagen	0.0	0.00	0.00	0.00
DUNSEITH				
Image Systems, Inc.	0.0	0.00	0.00	4.00
ESMOND				
City of Esmond (SCI)	0.0	0.00	22.00	22.00
FESSENDEN				
Nilles Drug	0.0	3.75	1.75	2.00

COMMUNITY/COMPANY	1991 ACTUAL FTE	1992 ACTUAL FTE	1993 ACTUAL FTE	1994 ACTUAL FTE
GARRISON				
Golden Age Aviation	0.0	1.00	1.00	1.00
GLENBURN				
Mickey's Kitchen	0.0	3.50	Sold	
HARVEY				
Amberland Foods	0.0	0.00	3.50	4.75
Harvey Farmers Elevator	0.0	5.50	30.75	31.75
Harvey Tire Center	0.0	5.00	1.00	6.50
TJ Manufacturing	0.0	0.00	0.00	14.00
HAZEN				
Brite Elite	0.0	0.00	6.75	5.75
Impact Telemarketing	0.0	0.00	0.00	31.00
KENMARE				
Creative Industries	6.0	7.25	8.75	11.00
Incabar	0.0	0.00	0.00	2.50
Kenmare Dental Clinic	0.0	4.00	3.00	3.25
Kenmare EDC (Pro-Entry)	0.0	0.00	0.00	0.00
North Dakota Envelope Co.	0.0	0.00	0.00	4.00
LANSFORD				
Lansford Betterment (Beauty Shop)	1.0	1.00	1.00	1.00
M. Gates Manufacturing	0.0	3.00	6.25	6.75
LIGNITE				
City of Lignite (Medical Clinic)	0.0	0.00	1.00	2.25
MAKOTI				
MDC (Grocery Store)	0.0	0.00	0.00	0.00
MAX				
S & H Market	1.0	3.00	Sold	
MINOT				
Abacus Accounting, Inc.	0.0	4.00	1.25	1.00
Banton	0.0	0.00	0.50	5.75
Behren's Construction	1.0	1.00	0.50	3.25
Bobco	4.0	12.00	8.00	Closed
Cal Dak Cabinets	0.0	10.00	18.00	15.00

COMMUNITY/COMPANY	1991 ACTUAL FTE	1992 ACTUAL FTE	1993 ACTUAL FTE	1994 ACTUAL FTE
<i>MINOT (con't)</i>				
Central Machine & Pump Repair	9.0	11.00	18.00	14.75
Choice Hotels	115.0	182.50	185.25	173.75
Cloverdale Foods	0.0	0.00	11.00	14.00
Dacotah Marketing	0.0	0.00	0.00	30.50
Dakota Custom Furniture	0.0	0.00	4.50	7.50
DD Schmidt	13.0	16.00	13.00	16.00
Degelman Industries	0.0	0.00	0.00	16.00
Diversified Industries	17.0	0.00	0.00	2.50
Edu-Craft	0.0	2.00	0.00	0.00
Faxx Foods			<i>Withdrawn After Approval</i>	
* Fold-N-Form	0.0	0.00	0.00	0.00
FP Bourgault	0.0	0.00	0.00	0.00
Gold Star Parts	5.0	5.50	5.00	4.25
Granite Springs Water	0.0	0.00	0.00	9.00
Interstate Brands	0.0	0.00	205.00	230.00
Jackets By Price	4.0	14.00	18.00	14.50
* Lite Form, Inc.	0.0	6.00	0.00	0.00
Mikela Corporation	0.0	0.00	0.00	2.00
Miller Sheet Metal	1.5	1.50	0.50	.50
Minot Restaurant Supply	8.0	8.00	7.25	7.00
Minot Vocational Workshop	0.0	0.00	0.00	22.50
MSU (Small Business Mgt Prog)	0.0	0.00	0.00	0.00
Oral Logic	1.0	25.00	33.00	38.00
Pet Chef/GTZ	0.0	1.00	0.00	<i>Sold</i>
Pro-Entry	1.0	7.75	22.50	30.50
ProMark One	0.0	0.00	228.75	354.00
RFI, Inc.	27.0	16.75	0.00	<i>Closed</i>
Rice Lake Products	0.0	0.00	0.00	1.00
Scherr's Cabinet	2.5	5.00	5.00	9.00
Science & Nature Int., Inc.	0.0	4.00	1.00	<i>Closed</i>
Soaring Eagle	46.0	110.00	73.25	70.50
Souris Basin Revolving Loan			<i>See Part IX</i>	
Terhorst Manufacturing	3.0	19.25	20.25	20.25
Vertical Solutions	0.0	0.00	0.00	4.00

MOHALL

Accel Dakota	<i>Not Funded - Withdrawn After Approval</i>		
Midwest Telemark	0.0	0.00	0.00

PLAZA

Plaza Betterment, Inc.	0.0	4.50	3.50	.25
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COMMUNITY/COMPANY	1991	1992	1993	1994
	ACTUAL FTE	ACTUAL FTE	ACTUAL FTE	ACTUAL FTE
POWERS LAKE				
Northwest Veterinary Service	0.0	0.00	0.00	3.75
RAY				
Pro-Link	0.0	0.00	45.00	22.50
RUGBY				
City of Rugby (Robodyne)	0.0	0.00	5.25	8.50
St. Michel Rentals	0.0	0.00	0.00	4.00
SAWYER				
Punkin Patch Pheasant Ranch	0.0	0.00	2.25	2.25
STANLEY				
IGF Insurance	0.0	3.00	4.00	7.25
Stanley EDC (Jack & Jill)	0.0	6.00	5.75	Sold/Closed
TOWNER				
Kelly Publishing	4.0	7.75	7.75	9.75
Towner CDC (Dairy Project)	0.0	0.00	5.00	5.00
TURTLE LAKE				
Jesz Recycling	4.0	3.00	5.50	8.00
VALLEY CITY				
Heartland Products, Inc.	0.0	0.00	0.00	27.25
WATFORD CITY				
DBK, Inc.	Withdrawn After Approval			
Iron Steer Ent., Inc.	0.0	0.00	8.25	5.00
WESTHOPE				
Deva Lifewear	0.0	0.00	3.00	17.00
RURAL				
RURAL	33.0	96.75	214.00	351.00
MINOT	258.0	462.25	879.50	1,117.00
TOTAL:				
	291.0	559.00	1,093.50	1,468.00

Source: Primary - North Dakota Employer's Wage and Contribution Report. Secondary - MAGIC Fund Jobs Creation Reports and personal verification.

* Actual Job Creation reflected under Terhorst.

E. EMPLOYER'S INTENDED VS. ACTUAL FULL-TIME EQUIVALENT JOBS CREATED/RETAINED TO DATE:

COMMUNITY/COMPANY	FTE INTENDED	FTE ACTUAL	FTE DIFFERENCE
<i>BERTHOLD</i>			
Larry's Meat Shop	2.00	2.00	0.00
Patchwork	5.00	1.00	-4.00
<i>BOTTINEAU</i>			
Bottineau Winter Park	0.00	3.75	3.75
Chem Sharp	1.00	2.50	1.50
Dakota Optical	<i>Withdrawn After Approval</i>		
North Central Cattle Feeders	17.00	0.75	-16.25
Rodeo Shop Chaps	5.00	3.25	-1.75
<i>BOWBELLS</i>			
Bowbells Inn	0.00	Sold	0.00
Nelson Plumbing & Heating	1.00	0.00	-1.00
<i>BURLINGTON</i>			
Yale Hoppers	3.00	Closed	-3.00
<i>CARPIO</i>			
Carpio EDC (Cafe)	1.50	4.25	2.75
<i>CROSBY</i>			
Crosby Self Serve	2.50	5.50	3.00
Quality Pork Co-Op	4.00	3.50	-0.50
<i>DES LACS</i>			
Ag-Mate Manufacturing	15.00	7.00	-8.00
<i>DEVILS LAKE</i>			
Sagen, Inc.	1.00	0.00	-1.00
<i>DUNSEITH</i>			
Image Systems, Inc.	29.00	4.00	-25.00
<i>ESMOND</i>			
City of Esmond (SCI)	45.00	22.00	-23.00
<i>FESSENDEN</i>			
Nilles Drug	1.00	2.00	1.00

COMMUNITY/COMPANY	FTE INTENDED	FTE ACTUAL	FTE DIFFERENCE
GARRISON			
Golden Age Aviation	2.00	1.00	-1.00
GLENBURN			
Mickey's Kitchen		Sold	
HARVEY			
Amberland Foods	3.00	4.75	1.75
Harvey Farmers Elevator	9.50	31.75	22.25
Harvey Tire Center	2.00	6.50	4.50
TJ Manufacturing	6.00	14.00	8.00
HAZEN			
Brte Flite	15.00	5.75	-9.25
Impact Telemarketing	24.00	31.00	7.00
KENMARE			
Creative Industries	9.00	11.00	2.00
Incabar	2.00	2.50	0.50
Kenmare Dental Clinic	4.00	3.25	-0.75
Kenmare EDC (Pro-Entry)	23.00	0.00	-23.00
North Dakota Envelope Co.	4.00	4.00	0.00
LANSFORD			
Lansford Betterment (Beauty Shop)	2.00	1.00	-1.00
M. Gates Manufacturing	3.00	6.75	3.75
LIGNITE			
City of Lignite (Medical Clinic)	0.25	0.25	0.00
MAKOTI			
MDC (Grocery Store)	3.00	0.00	-3.00
MAX			
S & H Market		Sold	
MINOT			
Abacus Accounting, Inc.	62.00	1.00	-61.00
Banton	21.00	5.75	-15.25
Behren's Construction	4.00	3.25	-0.75
Bobco	24.00	Closed	-24.00
Cal Dak Cabinets	11.00	15.00	4.00

COMMUNITY/COMPANY	FTE INTENDED	FTE ACTUAL	FTE DIFFERENCE
<i>MINOT (con't)</i>			
Central Machine & Pump	22.00	14.75	-7.25
Choice Hotels	150.00	173.75	23.75
Cloverdale Foods	14.00	14.00	0.00
Dacotah Marketing	25.00	30.50	5.50
Dakota Custom Furniture	6.00	7.50	1.50
DD Schmidt	14.00	16.00	2.00
Degelman Industries	13.00	16.00	3.00
Diversified Industries	52.00	2.50	-49.50
Edu-Craft	10.00	0.00	-10.00
Faxx Foods		<i>Withdrawn After Approval</i>	
* Fold-N-Form	50.00	0.00	-50.00
FP Bourgault	0.00	0.00	0.00
Gold Star Parts	8.00	4.25	-3.75
Granite Springs	10.00	9.00	-1.00
Interstate Brands	245.00	230.00	-15.00
Jackets By Price	17.00	14.50	-2.50
* Lite Form, Inc.	19.00	0.00	-19.00
Mikela Corporation	0.00	2.00	2.00
Miller Sheet Metal	3.00	0.50	-2.50
Minot Restaurant Supply	12.00	7.00	-5.00
Minot Vocational Workshop	0.00	22.50	22.50
MSU(Small Bus Mgt Prog)	0.00	0.00	0.00
Oral Logic	165.00	38.00	-127.00
Pet Chef/GTZ	15.00	<i>Sold</i>	-15.00
Pro-Entry	77.00	30.50	-46.50
ProMark One	286.00	354.00	68.00
RFI, Inc.	28.00	<i>Closed</i>	-28.00
Rice Lake Products	2.00	1.00	-1.00
Scherr's Cabinet	2.00	9.00	7.00
Science & Nature Int., Inc.	33.00	<i>Closed</i>	-33.00
Soaring Eagle	50.00	70.50	20.50
Souris Basin RLF		<i>See PART IX</i>	
Terhorst Manufacturing	28.50	20.25	-8.25
Vertical Solutions	2.00	4.00	2.00

MOHALL

Accel Dakota
Midwest Telemark

Not Funded - Withdrawn After Approval

21.00 45.50 24.50

PLAZA

Plaza Betterment, Inc.

10.00 0.25 -9.75

COMMUNITY/COMPANY	FTE INTENDED	FTE ACTUAL	FTE DIFFERENCE
POWERS LAKE			
Northwest Veterinary Serv	4.50	3.75	-0.75
RAY			
Pro-Link	25.50	22.50	-3.00
RUGBY			
City of Rugby (Robodyne)	278.00	8.50	-269.50
St. Michel Rentals	14.50	4.00	-10.50
SAWYER			
Punkin Patch Pheasant Ranch	6.00	2.25	-3.75
STANLEY			
IGF Insurance	10.00	7.25	-2.75
Stanley EDC (Jack & Jill)	11.00	Sold/Closed	-11.00
TOWNER			
Kelly Publishing	10.00	9.75	-0.25
Towner CDC (Dairy Project)	8.00	5.00	-3.00
TURTLE LAKE			
Jesz Recycling	13.00	8.00	-5.00
VALLEY CITY			
Heartland Products, Inc.	20.00	27.25	7.25
WATFORD CITY			
DBK, Inc.		Withdrawn After Approval	
Iron Steer Ent., Inc.	10.00	5.00	-5.00
WESTHOPE			
Deva Lifewear	29.00	17.00	-12.00
RURAL			
	715.25	351.00	-364.25
MINOT			
	1,480.50	1,117.00	-363.50
TOTAL:			
	2,195.75	1,468.00	-727.75

Source: Primary - North Dakota Employer's Wage and Contribution Report. Secondary - MAGIC Fund Jobs Creation Reports and personal verification.

* Actual Job Creation is at Terhorst.

PART V - ANALYSIS OF WAGES FOR JOBS CREATED/RETAINED

A. EMPLOYER'S WAGE LEVELS INTENDED/ACTUAL ACHIEVED:

1. EMPLOYER'S INTENDED AVERAGE WAGE LEVELS

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
RURAL	\$6.23	\$7.05	\$7.64	\$6.82
MINOT	\$6.98	\$7.27	\$9.04	\$7.92
<i>TOTAL:</i>	<u>\$6.89</u>	<u>\$7.22</u>	<u>\$8.59</u>	<u>\$7.91</u>

2. EMPLOYER'S ACTUAL AVERAGE WAGE LEVELS

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
RURAL	\$5.56	\$6.47	\$8.31	\$ 7.61
MINOT	\$6.77	\$7.29	\$9.28	\$10.38
<i>TOTAL:</i>	<u>\$6.65</u>	<u>\$7.17</u>	<u>\$9.09</u>	<u>\$ 9.90</u>

3. REPORT OF JOBS CREATED/RETAINED INVOLVING ACTUAL FRINGE BENEFITS BY CATEGORY

<u>YEAR</u>	<u>HEALTH</u>	<u>DENTAL</u>	<u>LIFE</u>	<u>RETIREMENT</u>	<u>OTHER</u>
1991		NOT	REPORTED		
1992		NOT	REPORTED		
1993	72.8%	44.1%	45.2%	41.1%	29.5%
1994	73.8%	61.1%	40.9%	38.9%	19.1%

NOTE: Other includes vacation, sick leave, vision insurance, and employee discounts.

B. COMMUNITY WAGE IMPACT OF VENTURES (Actual Salaries Only):

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	WAGE IMPACT TOTAL TO <u>DATE</u>
RURAL MINOT	\$ 370,074 \$3,633,053	\$1,302,023 \$8,601,325	\$ 3,776,729 \$16,813,225	\$ 5,555,909 \$24,116,476	\$11,004,735 \$53,164,079
<i>TOTAL:</i>	<u>\$4,003,127</u>	<u>\$9,903,348</u>	<u>\$20,589,954</u>	<u>\$29,672,385</u>	<u>\$64,168,814</u>

C. WAGES CREATED FOR EACH \$1.00 IN MAGIC FUND OBLIGATED

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
RURAL MINOT	\$1.32 \$2.10	\$2.35 \$3.19	\$5.01 \$5.67	\$6.52 \$8.51
<i>TOTAL AVERAGE:</i>	<u>\$2.31</u>	<u>\$3.05</u>	<u>\$5.54</u>	<u>\$6.84</u>

	JOBS	FUNDING
RURAL	351.00	\$ 852,641
MINOT	1,117.00	3,486,321
<i>TOTAL</i>	<u>1,468.00</u>	<u>\$4,338,962</u>

**D. EMPLOYERS JOBS INTENDED VS. JOBS ACTUALLY CREATED
(CUMULATIVE SUCCESS RATE - TO DATE):**

RURAL:

	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
INTENDED	40.00	112.50	280.75	715.25
ACTUAL	232.00	96.75	218.50	351.00
PERCENT SUCCESS	80.0%	86.0%	77.8%	49.07%

MINOT:

	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
INTENDED	281.00	636.00	1,135.00	1,480.50
ACTUAL	259.00	567.25	879.50	1,117.00
PERCENT SUCCESS	92.2%	89.2%	77.5%	75.45%

**NOTE: PERCENT OF FIRMS WHO WERE AT OR ABOVE JOB CREATION
EXPECTATIONS AS OF DECEMBER 31, 1994: 34.8%**

PART VI - FINANCIAL PACKAGING REPORT

A. FINANCIAL PACKAGING DATA TO DATE:

COMMUNITY/COMPANY	MAGIC FUNDS USED/OBLIGATED	OTHER FUNDS	MAGIC FUND'S PERCENTAGE OF PARTICIPATION
BERTHOLD			
Larry's Meat Shop	\$ 1,500	\$ 51,500	2.8
Patchwork	10,000	22,000	31.3
BOTTINEAU			
Bottineau Winter Park	5,000	29,500	14.5
Chem Sharp	10,000	91,500	9.9
Dakota Optical		<i>Withdrawn After Approval</i>	
North Central Cattle Feeders	50,000	700,000	6.7
Rodeo Shop Chaps	10,000	60,000	14.3
BOWBELLS			
Bowbells Inn	10,000	32,000	23.8
Nelson Plumbing & Heating	4,000	11,500	25.8
BURLINGTON			
Yale Hoppers	4,000	12,200	24.7
CARPIO			
Carpio EDC (Cafe)	1,250	13,233	8.6
CROSBY			
Crosby Self Serve	1,500	81,500	1.9
Quality Pork Co-Op	25,000	875,000	2.8
DES LACS			
Ag-Mate Manufacturing	20,000	280,800	19.0
	60,000	60,000	
DEVILS LAKE			
Sagen, Inc.	500	10,000	4.8
DUNSEITH			
Image Systems, Inc.	20,000	280,000	6.7

COMMUNITY/COMPANY	MAGIC FUNDS USED/OBLIGATED	OTHER FUNDS	MAGIC FUND'S PERCENTAGE OF PARTICIPATION
ESMOND City of Esmond (SCI)	\$ 30,000	\$ 1,258,000	2.3
FESSENDEN Nilles Drug	1,500	80,000	1.8
GARRISON Golden Age Aviation	5,000	14,950	25.1
GLENBURN Mickey's Kitchen	2,200	22,800	8.8
HARVEY Amberland Foods	2,500	83,692	2.9
Harvey Farmers Elevator	10,000	194,000	4.9
Harvey Tire Center	2,000	225,500	0.9
TJ Manufacturing	20,000	208,600	8.8
HAZEN Brite Elite	30,000	331,500	8.3
Impact Telemarketing	20,000	353,300	5.4
KENMARE Creative Industries	31,180	403,440	7.2
Incabar	5,000	45,000	10.0
Kenmare Dental Clinic	4,000	178,000	2.2
Kenmare EDC (Pro-Entry)	83,000	30,000	73.5
North Dakota Envelope Co.	16,000	351,000	4.4
LANSFORD Lansford Betterment (Beauty Shop)	1,010	2,510	28.7
M. Gates Manufacturing	20,000	266,950	7.0
LIGNITE City of Lignite (Medical Clinic)	8,000	11,300	41.5
MAKOTI Makoti Development Corp (Grocery Store)	5,000	28,000	26.3

COMMUNITY/COMPANY	MAGIC FUNDS USED/OBLIGATED	OTHER FUNDS	MAGIC FUND'S PERCENTAGE OF PARTICIPATION
MAX			
S & H Market	\$ 15,000	\$ 47,370	24.1
MINOT			
Abacus Accounting, Inc.	100,000	400,000	20.0
Banton	35,000	388,000	8.3
Behren's Construction	35,000	350,000	9.1
Bobco	51,525	357,500	12.6
Cal Dak Cabinets	15,000	24,700	37.8
Central Machine & Pump	71,803	383,000	15.8
Choice Hotels	500,000	800,000	38.5
Cloverdale Foods	17,356	204,242	7.8
DD Schmidt	50,000	50,000	50.0
Dacotah Marketing	40,000	40,000	50.0
Dakota Custom Furniture	10,000	200,000	4.8
Degelman Industries	16,500	200,000	7.6
Diversified Industries	100,000	552,500	15.3
Edu-Craft	30,000	110,000	21.4
Faxx Foods		<i>Withdrawn After Approval</i>	
Fold-N-Form	75,000	300,000	20.0
FP Bourgault	90,000	1,425,700	9.7
	50,000		
	13,000		
Gold Star Parts	18,312	227,907	7.4
Granite Springs Water	\$ 7,500	\$ 250,000	2.9
Interstate Brands	150,000	700,000	17.6
Jackets By Price	35,415	200,000	15.0
Lite Form	100,000	312,000	24.3
Mikela Corporation	15,000	210,000	6.7
Miller Sheet Metal	3,900	133,400	2.8
Minot Restaurant Supply	10,246	218,906	4.5
Minot Vocational Workshop	53,200	1,229,000	4.2
MSU (Small Bus Mgt Prog)	20,000	121,702	14.1
Oral Logic	150,000	1,000,000	13.0
	50,000	600,000	7.7
	30,000	641,000	4.5
Pet Chef/GTZ	30,000	105,000	22.2
Pro-Entry	122,000	165,000	42.5
ProMark One	300,000	995,000	23.2
	75,000	400,000	15.8
	240,000		
RFI, Inc.	40,836	1,959,164	2.0

COMMUNITY/COMPANY	MAGIC FUNDS USED/OBLIGATED	OTHER FUNDS	MAGIC FUND'S PERCENTAGE OF PARTICIPATION
MINOT (con't)			
Rice Lake Products	\$ 16,500	\$ 200,000	7.6
Scherr's Cabinet	7,488	35,000	17.6
Science & Nature Int., Inc.	50,000	125,000	28.6
Soaring Eagle Outerwear	226,800	350,000	39.3
	40,000	0	
Souris Basin Planning Council	135,000	400,000	25.2
	135,000	400,000	25.2
Terhorst Manufacturing	49,940	353,424	12.4
	26,500	375,000	6.6
	10,000	450,000	2.2
Vertical Solutions	37,500	107,500	25.9
MOHALL			
Accel Dakota	<i>Not Funded - Withdrawn After Approval</i>		
Midwest Telemark	2,560	215,120	1.2
PLAZA			
Plaza Betterment	10,000	44,000	18.5
POWERS LAKE			
Northwest Veterinary Serv	1,500	104,500	1.4
RAY			
Pro-Link	16,500	140,000	7.0
RUGBY			
City of Rugby (Robodyne)	130,000	201,650	39.2
St. Michel Rentals	2,500	76,000	3.2
SAWTER			
Punkin Patch Pheasant Ranch	500	36,000	1.4
STANLEY			
IGF Insurance	6,391	6,391	50.0
Stanley EDC (Jack & Jill)	25,000	187,000	11.8
TOWNER			
Kelly Publishing	\$ 10,050	\$ 97,900	9.3
Towner CDC (Dairy Project)	12,500	750,000	1.6

COMMUNITY/COMPANY	MAGIC FUNDS USED/OBLIGATED	OTHER FUNDS	MAGIC FUND'S PERCENTAGE OF PARTICIPATION
TURTLE LAKE Jesz Recycling	4,000	68,110	5.5
VALLEY CITY Heartland Products, Inc.	25,000 30,000	25,000 480,000	50.0 5.9
WATFORD CITY DBK, Inc. Iron Steer Ent., Inc.		<i>Withdrawn After Approval</i> 5,000 115,000	
WESTHOPE Deva Lifewear	28,000	840,000	3.2
RURAL	\$852,641	\$10,133,316	8.41%
MINOT	\$3,486,321	\$18,049,645	16.19%
TOTAL:	\$4,338,962	\$28,182,961	15.40%

B. MAGIC FUND LEVERAGE RATIOS FOR EACH \$1.00 OBLIGATED (CUMULATIVE):

	1991	1992	1993	1994
RURAL	\$7.25	\$6.59	\$11.01	\$11.88
MINOT	\$5.61	\$7.26	\$4.71	\$5.18
TOTAL	\$5.88	\$7.15	\$6.08	\$6.50

PART VII - FINANCIAL REPAYMENT REPORT

A. REPORT OF FINANCIAL COMMITMENTS BY MAJOR CATEGORY OF JOB CREATION ASSISTANCE TO DATE:

CATEGORY	AMOUNT
Loans	\$1,332,900
Grants	1,672,735
Equity Investments	107,000
Loan Guarantees	453,000
Interest Buy Downs	573,136
Rent Subsidies	200,191
Misc. Projects/Feasibility Studies	332,298
<i>TOTAL:</i>	\$4,671,260

B. PROJECT FUNDS RETURNABLE TO MAGIC FUND DURING ITS LIFE (CUMULATIVE TO EACH YEAR SHOWN):

	<u>1991 BASE</u>	<u>1994</u>
Total Funding	\$1,730,762	\$4,671,260
Returnable	\$ 804,990	\$1,892,900
Return To Fund	46.5%	40.52%

C. REPORT OF LOAN REPAYMENT FOR ACTIVITIES FUNDED TO DATE:

BUSINESS	REPAYMENT DUE	PAYMENT RECEIVED	DIFFERENCE
Bowbells Inn	\$ 2,731.08	\$ 9,211.69	\$ 6,480.61*
Brite Flite	1,800.00	1,800.00	0
Cal Dak Cabinets	3,480.00	3,480.00	0
Central Machine & Pump	1,652.00	1,652.00	0
Dakota Custom Furniture	2,000.00	2,000.00	0
DD Schmidt	1,500.00	1,500.00	0
Edu-Craft	7,305.00	0	(7,305.00)
Fold & Form	18,750.00	18,750.00	0
Golden Age Aviation	1,219.92	1,219.92	0
Heartland Products	5,750.00	5,750.00	0
Iron Steer	650.00	650.00	0
Lite Form	24,000.00	24,000.00	0
Max Community Dev.	2,150.00	0	(2,150.00)
Pro Entry	1,773.19	1,773.19	0
Ray Community Dev.	315.00	315.00	0
Science and Nature	13,625.00	0	(13,625.00)
Stanley EDC	6,640.32	19,028.00	12,387.68*
Westhope EDC	627.00	627.00	0
Yale Hoppers	740.40	3,163.06	2,422.66*
TOTAL:	\$96,708.91	\$94,919.86	(\$1,789.05)
TOTAL AMOUNT DELINQUENT			\$23,080

*Paid off loan early

D. RATE OF RETURN OF MAGIC FUNDS FOR JOB CREATION PROJECTS TO DATE:

YEAR	REPAYMENTS REQUIRED	REPAYMENTS RECEIVED	REPAYMENT EFFECTIVENESS RATE
1991	\$0.00	\$0.00	0%
1992	\$10,559.00	\$8,023.00	76%
1993	\$83,407.22	\$56,784.00	68%
1994	\$96,708.91	\$94,919.86	98%

**PART VIII - REPORT OF MAGIC FUND
BUSINESSES ASSISTED THAT HAVE
SOLD, CLOSED, OR FAILED:**

BUSINESS	ASSISTANCE RECEIVED
Edu-Craft	\$30,000 Loan
Science and Nature	\$50,000 Loan
Yale Hoppers	\$ 4,000 Loan
RFI, Inc.	\$40,836 Grant
Stanley (Jack & Jill)	\$25,000 Loan
Bobco	\$51,525 Grant
Bowbells Inn	\$10,000 Loan
Mickey's Kitchen	\$ 2,200 Grant
Pet Chef/GTZ	\$30,000 Loan
S & H Market	\$15,000 Loan
Fjeld Manufacturing	\$50,000 Loan
FAILURE RATE:	12.0%

PART IX - REPORT OF ACTIVITIES FUNDED BY THE SOURIS BASIN REVOLVING LOAN FUND

The Souris Basin Revolving Loan Fund (SBRLF) was funded by a \$400,000 grant to the Souris Basin Planning Council (SBPC) from the Economic Development Administration (EDA) Title IX Long-Term Economic Deterioration Grant and by a \$135,000 matching grant from the MAGIC Fund. The SBRLF was established to provide loans to qualifying new or existing businesses in all seven counties located in North Dakota Planning Region II, which includes: Bottineau, Burke, McHenry, Mountrail, Pierce, Renville, and Ward Counties. The goal of the SBRLF is to assist in the creation of permanent private sector jobs.

COMPANY	AMOUNT & TYPE OF SBRLF/MAGIC FUND ASSISTANCE PROVIDED	TOTAL VALUE OF PACKAGE	CITY	ACTUAL JOBS CREATED (89-90-94)*	PROTECTED JOBS
1994 SBRLF LOANS:					
Pride Dairies	\$31,000 Revolved Funds	\$93,000	Bottineau		1
Incabar USA, INC.	\$15,000 Revolved Funds	\$50,000	Kenmare		2
Vertical Solutions	\$25,000 Revolved Funds	\$75,000	Minot	3	8
North Dakota Envelope Company	\$19,108 Revolved Funds \$42,027 EDA \$13,865 MAGIC Fund	\$335,000	Kenmare		4
Wholesale Supply Company INC.	\$ 3,533 Revolved Funds \$83,100 EDA \$29,367 MAGIC Fund	\$1,000,000	Minot		4
Northwest Veterinary Services	\$24,750 EDA \$ 8,250 MAGIC Fund	\$100,000	Powers Lake		2
Dun-Rite Enterprises	\$13,000 Revolved Funds	\$46,000	Rugby		4
1993 SBRLF LOANS:					
Accel Dakota	\$ 3,858 Revolved Funds \$12,107 EDA \$ 4,035 MAGIC Fund	\$60,000	Mohall	5	15
Oral Logic, Inc. (2 Loans)	\$ 435 Revolved Funds \$55,815 EDA \$18,750 MAGIC Fund	\$700,000	Minot	13	35
Central Machining & Pump Repair	\$30,938 EDA \$10,312 MAGIC Fund	\$125,000	Minot	8	5
Davy Pottery	\$ 4,882 Revolved Funds \$ 1,263 EDA \$ 421 MAGIC Fund	\$20,000	Burlington	1	1
Midwest Telemark Int'l, Inc.	\$37,500 EDA \$12,500 MAGIC Fund	\$210,000	Mohall	5	35
Garner's Jack & Jill	\$30,000 EDA \$10,000 MAGIC Fund	\$120,000	Kenmare	13 jobs retained	13 jobs retained

COMPANY	AMOUNT & TYPE OF SBRLF/MAGIC FUND ASSISTANCE PROVIDED	TOTAL VALUE OF PACKAGE	CITY	ACTUAL JOBS CREATED (69-30-94)*	PROTECTED JOBS
1992 SBRLF LOANS:					
Abacus Systems (dba) A.S., Inc.	\$37,500 EDA \$12,500 MAGIC Fund	\$425,000	Minot	5	25
Step II	\$37,500 EDA \$12,500 MAGIC Fund	\$825,000	Minot	27	21
Edu-Craft Int'l, Inc.	\$ 7,500 EDA \$ 2,500 MAGIC Fund	\$120,000	Minot	0	19

- * All "Jobs Created" utilizing SBRLF monies are included in the MAGIC Fund Job Creation totals. Reported "Jobs Created" reflect the actual jobs created/retained for the fiscal period ending September 30, 1994. The SBRLF allows the duration of the loan to create/retain the number of anticipated jobs stated at the time of loan closing.

NOTES:

Revolved funds are repayments of principal and interest, which are loaned again to meet the goals of the SBRLF guidelines.

All projects are funded as loans. Grants for projects do not meet the EDA program guidelines.

PART X - GRAND RECAP OF FUNDING ASSISTANCE PROVIDED (PROGRAM/PROJECT) TO COMMUNITIES IN THE MINOT TRADE AREA TO DATE:

COMMUNITY	TOTAL MAGIC FUNDS PROVIDED
Alexander	\$ 4,500
Anamoose	1,200
Berthold	17,500
Bottineau	81,750
Bowbells	19,000
Burlington	7,100
Butte	800
Carpio	2,750
Coleharbor	4,500
Columbus	2,000
Crosby	32,500
Des Lacs	80,000
Devils Lake	500
Drake	1,500
Dunseith	20,000
Esmond	32,000
Fessenden	1,500
Garrison	12,500
Glenburn	8,200
Granville	3,000
Grenora	1,000
Harvey	41,250
Hazen	54,500
Karlsruhe	1,500
Kenmare	146,680
Lansford	27,010
Leeds	3,750
Lignite	10,000
Maddock	1,250
Makoti	16,000
Max	21,000
Mohall	6,060
New Town	4,750
Newburg	4,500
Parshall	5,250
Plaza	10,000
Powers Lake	4,000

COMMUNITY	TOTAL MAGIC FUNDS PROVIDED
Ray	13,500
Riverdale	3,500
Rugby	140,000
Sawyer	6,500
Sherwood	2,500
Stanley	38,891
Tioga	5,250
Towner	28,400
Turtle Lake	10,000
Underwood	3,950
Valley City	55,000
Velva	5,250
Watford City	11,000
Westhope	33,250
<i>TOTAL</i>	<i>\$1,948,291</i>

TOTAL NUMBER OF COMMUNITIES ASSISTED: 52

***PART XI - REPORT OF INFRASTRUCTURE
IMPROVEMENTS FUNDED BY THE MAGIC
FUND AS THE RESULT OF SPECIFIC
PROJECTS***

YEAR	INFRASTRUCTURE IMPROVEMENTS	ASSOCIATED PROJECT	AMOUNT COMMITTED
1994	WATER MAIN	FP BOURGAULT	\$96,900

***PART XII - REPORT OF INVESTMENTS IN ECONOMIC
DEVELOPMENT FUNDING ACTIVITIES
STATE-WIDE APPLICANTS***

YEAR	ORGANIZATION	FUNCTION	AMOUNT
1994	ND SMALL BUSINESS INVESTMENT CORPORATION	FINANCIAL INVESTMENTS	\$100,000

PART XIII - LIMITATIONS

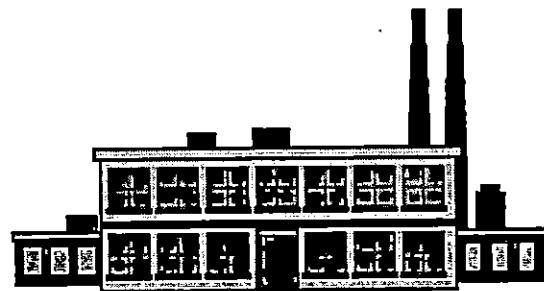
1. Any company that was considered more than once by the MAGIC Fund is carried in this report by the final result of the considerations i.e., if a company was considered three times and the end result was approval of the request, the company was shown as approved in all job/wage portions.
2. All full time equivalent (FTE) jobs and wage average figures, are based upon a 2,080 hour work year.
3. All percentage figures were rounded up or down using standard rounding procedures.
4. Fjeld Manufacturing, who's bankruptcy in 1993 resulted in closure of this business, is not shown in 1994's report. That bankruptcy resulted in no loss of MAGIC Fund money. The name of Fjeld Manufacturing appears in Volume II, Part VIII, Page 44.

Volume III

BUSINESS FRIENDS REPORT

RURAL BUSINESS FRIENDS VISITS

Reporting Business Status As of March 16, 1995



The visits were made and the report compiled by the Business and Community Assistance Center. The Business Friend for this report was James Vollhoffer.

The business friends program is conducted to ensure that MAGIC Fund investments continue to remain viable economic entities. The program serves as a liaison between the fund and the business community. This program is jointly administered by the Minot Area Development Corporation and Minot State University's Business and Community Assistance Center. The basic charge of the visits is to touch base with the entrepreneurs, evaluate the status of their business, and offer the assistance of the area's service providers if needed. The following is a summary of business visits.

COMPANIES NOT VISITED

The companies not visited to date due scheduling conflicts:

Jesz Recycling, Image System, Brite Flight Target Company, Lansford CBE Inc., and Sagen Inc.

Esmond SCI: Out of business

Ag Mate: The operation has lost their lease and are currently looking for a new site.

Bowbells Inn: The operation was sold.

DIRECTION FROM THE CITY

Based on the information provided by the city, no new firms are delinquent or have forfeited on their commitment.

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Prolink in Ray

Prolink received assistance from the Magic Fund in June 1993. On January 24, 1995, I visited with Donna Pederson manager of Prolink. The company is an out bound telemarketing operation, specializing in direct sales, lead generation, and market research. To support its operation, Prolink has a 32 station predictive dialer and staffs its operation with 5 management positions and 19 part-time/full-time service representatives. The company targets approximately 1500 billable hours per month, but has had a tough time meeting this goal due to contract gaps. In the past year, the company has gone through 3 contracts and has yet to find a solid contract. The company has been working with Ed Blank and Associates to develop business leads. When I visited, the company was in the process of closing its first long term contract. The company has had problems in bill collections and marketing its services. Donna Pederson feels that the company has reached a turning point in their operations and predicts a successful year.

Impact Telemarketing of Hazen

On January 25, 1995, I visited the manager, Mark Olsen. Impact of Hazen is a telemarketing company that opened its doors on April 4, 1994 with 21 employees. It has since expanded to 40+ employees with an annual payroll in excess of \$300,000. Impact of Hazen is in partnership with Impact Telemarketing Group (ITG) of Woodbury, New Jersey. ITG provides data processing, account services, and other technical support. ITG is 366 on Inc. Magazine's 500 fastest growing private companies. Impact of Hazen works directly with 3 other affiliated centers. The Hazen facility currently seats 16 service representatives at a time. The company is looking at possibly doubling their capacity. The facility is doing very well and looks to a bright future.

Midwest Telemarketing International of Mohall

Midwest Telemarketing is an outbound telemarketing service in Mohall specializing in customer service calls for banks in the United States. I visited Midwest on January 10, 1995. Midwest has offices in Mohall, Stanley, and Minot. The operation has the capacity to employ 100+ employees during peak operations and generally employs 90 full-time employees for their services. Midwest Telemarketing's payroll for the year was just over \$900,000. Since the last visit, the operation has been completely automated. The business is doing very well.

Amberland Foods(Dakota Seasonings) of Harvey

John Schneider and I visited with Susan Schwartz on January 18, 1995. Amberland Foods is formerly Dakota Seasonings. The company has changed its name, so Dakota Seasonings can be used as a product line name. The operation is doing extremely well. Sales across all product lines are increasing. The operation's cash cow to date is their scone mix. This has been attributed to the redesigning of the package. Their product lines are available in all 50 states. To fill out their product line, they have started marketing private label products through their distribution networks. This company is one to watch. It has excellent potential and its future looks bright.

Harvey Farmer's Elevator

John Schneider and I visited the elevator on January 18, 1995. The Sky Bird Company currently processes oil sunflower seed, confection sunflower seed, buckwheat, rye, flax, and wild bird mix and packages them in 50 pound lots for resale to the bird industry. The company is part of The Arthur Companies who is best known for Great Plains Software. The operation in Harvey currently employs 22 people with sales in excess of \$4 million per year. This is an excellent example of a value added and diversification project business for an elevator.

Harvey Tire and Service Center

John Schneider and I visited the operation on January 18, 1995. This day was very busy at the tire center which has been an exception rather than the rule. The RV repair service has been slow, but Russel Haugen, the owner, feels that this aspect of the business is gradually starting to pick up and should improve. The sales of tires and services has remained basically constant although mild winters don't help business. The company is having difficulty in marketing its services and could potentially need help in this area.

TJ Manufacturing of Harvey

John Schneider and I visited TJ Manufacturing on January 18, 1995. TJ's manufactures utility trailers. The company currently manufactures 10 product lines varying in size and use. The company has recovered well from a fire that completely destroyed the operation. Terry Fischer, the owner, feels that the current level of operation has already outgrown the capacity of the facility and is considering expansion if funds can be raised. The company is having a limited stock offering in hopes to generate capital to fund an expansion and production needs. Wal-Mart will be carrying their product line in the near future. Development of the tool tray is behind schedule according to Terry Fischer, but he feels the product has great potential and will continue to pursue the marketability of the tray. Mr. Fisher feels the only limitations on the company are production capacity and capital. The company seems to be doing very well.

Kenmare Economic Development Corporation

I visited with Leroy Sandvik on January 12, 1995. The community has completed the renovation for the Pro-Entry project. Pro Entry has yet to move their operation to Kenmare, and it does not look promising in the near future. Leroy Sandvik then gave me a tour of the community and discussed development goals and objectives. The community of Kenmare has all the ingredients to continue to be a successful community.

Creative Industries of Kenmare

Leroy Sandvik and I visited Sid Ingerson at Creative Industries on January 12, 1995. The company has a 140+ dealer representative network across the US marketing the Truck Trunk. The trunk is a steel storage box that fits in the back of a pickup box. This system is different than those currently on the market in that the top slides rather than being hinged. The operation currently produces 18-22 boxes per day. The company employs 10 to 13 full-time people. The big markets for their product have been the sunbelt states. They hope to gain market share in the north and east of the Mississippi. The business is doing well.

Kenmare Dental Clinic

Leroy Sandvik and I visited the clinic on January 12, 1995. The Kenmare facility is open three days a week. The clinic's primary service area covers a 60-70 mile radius. Dr. Eric Gaines currently operates a facility in Parshall to round out his work week. The facility in Kenmare has just been refurbished with new equipment. The dentist averages 15 client visits per day. The operation runs with 1 full-time and 3 part-time employees. The dental business is booming in Kenmare.

Kenmare Community Development Corporation- Incabar Inc.

Incabar Inc. manufactures a patented oil field pump accessory. The Incubar insulates the pump from electrolysis in the shaft protecting the pump from its damaging effects. The company currently uses manufacturing reps to sell their product. The product is primarily marketed to national oil companies. The company is pushing the product hard in the Canadian market. Sales to date have been spotty, but the marketing effort has been successful in developing a significant level of brand awareness. Earnest Schmidt feels that the market potential for the Incabar is just beginning to reach its potential. Business is going well.

Bottineau Winter Park

I visited with the manager, Brad Knudsen, of the winter park. The MAGIC Fund money went to purchase a snow groomer for the company. This purchase did not create any new jobs, however, it maintained current employment levels. When I visited, the runs were in excellent condition. This season to date has been great for the facility. The operation is predicting a positive cash flow for the year. This is attributed to increased marketing efforts, a mild yet excellent ski season, and the addition of the half pipe (a snow board hill). The only decrease in traffic has been felt from our neighbors to the North, due to various economic pressures. The business is doing well and is looking to expand into a year-round type of entertainment facility.

Rodeo Shop Chaps Of Bottineau

I visited with the company on January 19, 1995. The company employs 3 full-time employees that manufacture their product line, which includes chaps, vests, leggings, purses, and a new product (The Snowmobile Diaper). The company markets their product through 2 manufacturing reps and attending trade shows. They market their product across the US. The company is in need of some cost accounting, so that they may be able to identify the costs of their products. They are also interested in some marketing assistance for The Snowmobile Diaper.

Golden Age Aviation of Garrison

Golden Age Aviation in Garrison is owned by Gary Stagle, the sole employee. The operation maintains, overhauls, and repairs light aircraft. The company has been in business for about 2 1/2 years. Sales have been slow with mild growth. Gary expects that it will take about 5 years to build a strong customer base. The marketing of the business has relied solely on word of mouth and direct mail pieces. Gary finds the business to be very spotty and local in nature. This winter was particularly tough, however, Gary expects business to pick up in the future.

Accel Dakota Inc. of Mohall

Accel Dakota in Mohall manufactures custom formed thermoplastic parts with thermoforming process. The company sells its services through one representative. The company is currently working on 2 contracts: 3M and First American Bank. Accel is a 3M approved supplier. The company hopes that this accreditation will help to increase sales.

Schroeder's Market

Schroeder's market in Max is a full line grocery store. Duane and Lynea Schroeder are the operation's owners and only full-time employees. The store has low sales volume due to the lack of population in the service area, however, sales are increasing modestly. Business is going well for the store.

Stanley Jack and Jill

This was a grocery store in Stanley. I visited with Scott Wilson, Director of Mountrail County JDA, to discuss the closing of the operation. The Jack and Jill was put up for sale. a local investment group bought. The group will be remodeling the building for office space in the community.

IGF Insurance of Stanley

I visited with Tom Hove on February 15, 1995. Insurance sales have gone very well this year, although the dollar-in/dollar-out ratio in North Dakota is the worst in the US. This means that for every dollar spent on insurance in the state about \$1.75 is paid out in crop hail insurance. The operation employs 1 part-time, 6 full-time, 2 full-time out-of-state, and 20 part-time adjusters. The company also offers an internship through NDSU Coop Students program. A new federal ruling requires mandatory linkages between insurance and government incentive programs. This ruling means in order to be eligible for federal money, the farmer must have insurance, eliminating all adhoc farm disaster programs. This could prove to be a lucrative program for the business. In general, the business is doing well. The marketing of farm insurance in this saturated market has changed the focus, to services and value added programs.

Heartland Products of Valley City

I visited with Heartland Products at Marketplace '95. Heartland Products has been in the marketing business for over 27 years. Richard Dietrich brings to his organization a wealth of expertise and know how. The operation generally tries to add a couple of products to its line every year. Products include a grill scraper, rake, and a tree watering ring. All the products are selling well. The company still works closely with Terhorst Manufacturing. The company is doing well.

Deva Lifeware of Westhope

Deva Lifeware is a cottage industry cut and sew clothing manufacturer in Westhope. The company is a mail order company that mails out about 700,000 catalogs on a yearly basis. The current operations are split between Westhope and Maryland. The company employs 19 people in the Westhope area and 6 people in Maryland. The cutting of material is done in Maryland and shipped to Westhope for assembly. The company hopes to centralize the entire operation in Westhope in the near future. The company has a consumer base of 100,000 broken into 6 and 12 month buyers based on purchasing habits. The company currently averages 200 orders daily, but during peak times they process around 500 orders. Sales for last year are up 23% from last year grossing around \$4,000,000. The company is doing very well and is considering expansion plans.

Iron Steer of Watford City

Iron Steer is a trailer manufacturer in Watford City. Brenda Folden, Staff Consultant with the BCAC, has been working extensively with the company in hopes of improving their financial position. The BCAC analyzed the 1994 cash position of the company, which did not look very promising. They also discussed the four key elements of business that need to be present in an operating business. The four elements are a strong marketing plan, an understanding of financials, a marketable product, and adequate financing. Iron Steer only has a product. The company is in need of financial assistance, Brenda Folden suggested that Leroy Lillibridge, the owner, visit with his banker as to the options available to him.

Plaza Betterment Inc. in Plaza

No one has been able to be reached for comment. The last visit was with one of Mike Bower's employees. The firm produces cabinets, mirrors, and trunks from barnwood. The company used North Dakota Marketing Alliance to market their product. The company has 2 full-time and four part-time employees.

Carpio Development Corporation in Carpio

I talked with Leroy Stubbard on the phone. The Carpio Cafe had a banner year. This is attributed to the construction of an inland terminal in the community. The community has formed a new group, the Carpio Industrial Center(CIC), to investigate the use of the local school that has been closed. Efforts to date have been fruitless, but the community is working hard to find viable projects that could fill the facility. Economic development activities have focused on bringing business to the community. Mr. Stubbard expressed a concern over the future of the community

Fessenden Area Betterment Association

I visited with Clay Houchin, economic director of Fessenden, in regards to Nilles Drug Company. The company is having difficulty in penetrating the marketplace. The company's sales have been increasing but the profit margins are not there. The company is operating at a 20% margin, but needs 35% to be really profitable. Changing consumer buying habits have been hard for the company. Fessenden went awhile without a facility, so consumers turned to Harvey and mail order services to meet their needs. The drug store is doing alright, but needs to expand its customer base. Clay Houchin said "The community is plugging away, trying to keep their head above the water." Good news for the community is the expansion of Great Plains Development Inc. to Fessenden. The company is a telemarketing operation that will bring 25+ jobs to the community.

Patchwork Enterprises Inc. of Berthold

Patchwork Enterprises Inc. of Berthold is a teddy bear manufacturer. I met with Kari Conrad, the owner, on January 6, 1995. The bears are made with recycled fur and leather. The operation is staffed with 3 independent contractors, one cutting the material, one sewing the bears, and one finishing the bears. Each bear is truly an original. The bears were originally marketed by the North Dakota Marketing Alliance. This proved to be an unprofitable relationship. Patchwork has since joined forces with Terra Holt of Bismarck who has a permanent gift display shop in Minneapolis. The bears have a display at her location. Kari Conrad has expanded the product line to include a synthetic version of the bear and a jointed softer bear in hopes of expanding their potential marketbase. The bears retail for \$295.00. The company sold 14 bears the past year. The company needs marketing assistance.

Quality Pork Coop of Crosby

Quality Pork Coop in Crosby is a pork farm. I visited with Todd Erichsen, Site Manager. The past year has been marked with several operational changes in management. The present management indicates that the changes were for the best. The Coop employs 3 full-time people. The operation is basically a breeding operation. The level of operation produces an average of 200 newborn pigs per week. They then grow the pigs to around 50 pounds which is the ideal market weight. Levels of production have been increasing on a continual basis, breaking monthly production quotas. The operation has had problems marketing within North Dakota and has had to go out-of-state to find viable markets. The Coop is doing well and expects to have a successful year.

Kelly Publishing of Towner

Kelly Publishing is a regional print center located in Towner. I visited and toured the site with owner Dennis Kelly. The center prints 8 papers in total. Five of the labels are privately owned. The other 3 are printed on a contract basis. The shop produces and ships approximately 20,000 papers per week. The operation employs 10 full-time people. Although competitive pressures continue to cut into margins, the operation is a solid viable business with gross sales topping \$1.2 million. To fill production gaps, Kelly Publishing offers commercial printing services. The leap into the commercial market has been a dividend paying venture for the company. The company is looking to potentially expand the commercial aspect of the business. In the future, the company foresees a need for a larger facility to house its operations as projected growth will exceed current capacity.

Robodyne, Inc of Rugby

Robodyne is predicting an excellent selling year in 1995. Their product line was well received at NEPCON '95. The company has added a feeder arm to their product line to make their offering more competitive in the marketplace. The product base prices for approximately \$169,000, and the average sale is around \$225,200. In total, the operation employs about 20 people company wide. The Rugby site is used for manufacture and assembly of component parts for their product line. The R&D efforts are done solely in Minnesota. To date, the company has moved 8 machines and looks to 1995 to be their landmark year. Optimistic projections for 1995 are based on product improvements, and inquiry levels, and number of bids.

St. Michel Rentals of Rugby

I visited with representatives of the Rugby Economic Development Corporation. The monies were used to refurbish the old C&G building to accommodate full retail and storage business. According to community members present, the project is doing well. The representatives cited that there is retail space available in the community and are interested in filling the sites. There is a concern for the housing issue in the community.

City of Lignite

I visited with David Bly, Mayor of Lignite. The City of Lignite received a loan guarantee from the MAGIC Fund. The funds were used to open a clinic in Lignite. The clinic is up and running and doing well. The community on the other hand is feeling some economic pressure. No new jobs in the community or new people in the community are the primary areas of concern. The community's last project was finding a new barber for the community. The community is stable for now, but Mr. Bly feels that things need to change in the next 3-5 years or the community is in trouble.

Towner Community Development Corporation

I visited with Mike Rose regarding the dairy operation that the MAGIC Fund assisted in funding. The facility owned by Jocheim Jongsma is currently at full capacity of 500 cows. The dairy farm is stable, although as in any business, the operation has its ups and downs. The community is continually recruiting potential dairy farmers to the area in hopes of meeting the capacity at Winger Cheese. The site has the capacity of handling the milk from 5,000 cows. The facility is currently operating at 28% capacity. If the operation functions at 100%, the site would secure 40 local jobs. The day we visited, Mr. Rose had a meeting with a prospective dairy farmer.

M. Gates Manufacturing in Lansford

Located in Lansford, Gates Manufacturing produces heavy harrows for agricultural markets. The operation sells in the following markets: North Dakota, South Dakota, Montana, Minnesota, Saskatchewan, Manitoba and Alberta. The product is primarily marketed through trade shows, however, the company is considering the possible use of manufacturing representatives and establishing a distribution network. The company is considering expanding their product line into non-ag products. Last year the company amassed sales of \$850,000, but 1995 sales are down. The company employs 4 full-time and 4 part-time people