

MAGIC Fund Steering Committee Minutes
April 26, 2019

ROLL CALL

Members Present: Hertz, Lundeen, Olson and Zimmerman

Members Absent: Bachmeier, Drady and Gates

1. APPROVAL OF MINUTES

Hertz moved the minutes of the May 18, 2018 meeting be approved as submitted.

The above motion was seconded by Lundeen and passed by the following roll call vote: ayes: Hertz, Lundeen, Olson and Zimmerman. nays: none

2. SBPC – Business Accelerator Fund (BAF) - \$1M Grant – Half in 2019 (\$500,000) and half in 2020 (\$500,000)

Lindsay Ulrickson, Executive Director, introduced herself and Briselda Hernandez, the Business Opportunity Manager. Ulrickson began the presentation (attached) discussing the SBPC Vision and Mission. SBPC serves the communities and counties within North Dakota Region 2 (Bottineau, Burke, McHenry, Mountrail, Renville, Pierce and Ward Counties).

SBPC has been a partner in progress for cities, counties, non-profits, businesses and individuals since 1972. We are a solutions-based team made up of entrepreneurs, elected officials, volunteers, and passionate staff. By listening to community members, they gain insight into the true needs and gaps of rural North Dakota. With community-driven discussions, we search for opportunities and resources to fill the gaps.

Ulrickson explained the make of the leadership team and members of committee.

Hernandez began covering the Bank of ND Flex Pace Overview loan. She explained it helps communities expand their economic development base by assisting businesses that make an investment in the community. It uses typical lending credit standards. Flex Pace provides funding to buy down a borrows interest rate as low as 1%. Hernandez asked the committee to reference the examples of scenarios in the packet.

Hernandez went on to say, this will help build resilient communities. The guidelines will follow BND guidelines. BAF may be used for the purchase of real

property, property investments, equipment and certain working capital requirements. BAF will generally be limited to a three year buy down period, not to exceed \$70,000. The interest rate will be between 1% and 5%. Maximum loan terms will be between five and ten years.

Ulrickson discussed the authority over the program will be the SBPC Board of Directors which meets monthly. SBPC would be using none of the MAGIC Fund dollars for administration costs. SBPC will cover this estimated cost of \$35,000. The board will review program financial reports and loan status reports at all regularly scheduled meetings.

At this time, the committee asked questions.

Lundeen questioned the equity requirement. SBPC and BND answered the equity will be determined by BND. It typically is 20%-25%.

Lundeen questioned if the principal will come back. SBPC answered all principal and interest will be borrowed back out.

Lundeen made a motion to approve \$300,000 in 2019 and \$300,000 in 2020. There was not a second motion so the motion did not pass.

Hertz made a motion to approve SBPC Business Accelerator Fund (BAF) \$1M Grant – half in 2019 (\$500,000) and half in 2020 (\$500,000).

The above motion was seconded by Olson and passed by the following roll call vote: ayes: Hertz, Olson and Zimmerman. nays: Lundeen

3. Minot Convention and Visitors Bureau (Visit Minot) with Minot Area Chamber of Commerce and Minot Area Development Corporation \$300,000 Grant

Stephanie Hoffart, President/CEO, MADC introduced herself. She informed the committee the MADC Board of Directors passed their vote of support for this collaborate marketing effort at their recent board meeting. Hoffart told the committee John MacMartin, President, Chamber of Commerce was unable to attend but his Board also voted in full support of this effort.

Tim Mihalick spoke on behalf of the IEDC Stakeholders. Mihalick informed the City of Minot had commissioned a study which gave a recommendation to form a committee. A committee was formed and the Mayor appointed Mr. Mihalick as the Project Chairman. Mihalick gave a brief background of the past year explaining the committee met several times. During these meetings they discussed focus areas to be addressed. Technical teams were developed from these discussions. (Downtown, Private Investment, and One Brand Committee) Now they are moving forward with the recommendation to develop a one

cohesive community brand with a supportive marketing plan. Mihalick stated the City of Minot needs one face and one voice. A marketing campaign needs to be put together to make this happen.

Olson questioned the timeline? Rianne Kuhn from Visit Minot informed once RFQ goes out, they will allow them to decide timeline. Mihalick informed the sooner the better. It is important to begin this process as soon as possible.

Lundeen questioned what the bid packet will include? Kuhn answered a scope of the work, a qualification sheet which will include percentages and the highest will show the qualifications. It will not exceed eight pages only the hard facts and qualifications. The selection committee will include two representatives from each entity.

Lundeen made a motion to approve Visit Minot, Minot Area Chamber of Commerce and Minot Area Development Corp. a \$300,000 grant

The above motion was seconded by Olson and passed by the following roll call vote: ayes: Hertz, Lundeen Olson and Zimmerman. nays: none

4. FINANCIAL REPORT

Sue Greenheck, City Comptroller, informed the committee the MAGIC Fund balance as of March 2019 is \$8.7M. Sales tax collections are 1.25% higher than this time last year.

Olson motion to approve the April 2018 financials.

The above motion was seconded by Lundeen and passed by the following roll call vote: ayes: Hertz, Lundeen Olson and Zimmerman. nays: none

5. OTHER BUSINESS - none

6. ADJOURNMENT

There being no further business, Hertz moved to adjourn the MAGIC Fund Steering Committee meeting.

Respectfully submitted,
Jason Zimmerman
Magic Fund Committee Chairman