



Regular Committee Meeting

Thursday, June 26, 2025, at 7:30 AM

City Council Chambers, City Hall (10 3rd Ave SW)

Any person needing special accommodation for the meeting is requested to notify the City Clerk's office at 857-4752.

1. ROLL CALL

2. APPROVAL OF MINUTES

2.1. APPROVAL OF MINUTES FROM FEBRUARY 21, 2025

It is recommended that the MAGIC Fund Committee approve the minutes from the February 21, 2025, screening committee meeting.

3. NEW BUSINESS

3.1. UNITED PULSE TRADING INC, DBA. AGT FOODS, APPLICATION FOR FUNDS

3.2. FINANCIAL REPORT FOR MAGIC FUND

4. ADJOURNMENT



MAGIC Fund Screening Committee Meeting Minutes
February 21, 2025
Meeting was called to order by Jordan Nelson at 7:29am

ROLL CALL

Members Present: Jordan Nelson, Todd Harris, Kevin Seehafer, Kelly Perrin, Todd Telin, and Dan Ternes
Not Present was Trent Livedalen

APPROVAL OF MINUTES

Todd Telin moved the February 16, 2023 meeting minutes be approved as submitted. The Above motion was seconded by Todd Harris and passed by the following roll call votes:

Ayes: Todd Telin, Jordan Nelson, Kelly Perrin, Dan Ternes, Todd Harris, & Kevin Seehafer. Nays: None

APPROVING NEW CHAIR FOR COMMITTEE

Jordan Nelson has been the Chair for this committee and his term has ended, we need to nominate a new chair person. Todd Telin nominated Trent Livedalen. Todd Harris second the motion. Todd Telin nominated Todd Harris as Vice Chair and Dan Ternes second the motion.

Ayes: Todd Telin, Jordan Nelson, Kelly Perrin, Dan Ternes, Todd Harris, & Kevin Seehafer. Nays: None

New Vice Chair, Harris took over the meeting as the New Chair was not available for this meeting.

MAGIC FUND GUIDELINES REVIEW

Dave Lakefield Finance Director, presented a brief presentation on the New MAGIC Fund Guidelines as of December 18, 2023. All Guidelines can be found on our City of Minot Website under MAGIC Fund Committee.

SOURIS BASIN PLANNING COUNCIL REQUEST OF FUNDS

Souris Basin Planning Council (SBPC) is requesting an additional \$250,000 investment into an existing program, the Business Accelerator Fund (BAF). The BAF is used as the regional match program for the Bank of North Dakota Flex PACE program. SBPC anticipates using the funds over the next year.

Mark Lyman introduced himself and Spoke on behalf of the Minot Area Chamber EDC in favor of the Souris Basin Planning Council (SBPC) requesting the \$250,000. MACEDC feels this program fits all the criteria of being a good fit with use of MAGIC Fund dollars. Mark Introduced Briselda Hernandez the Executive Director for Souris Basin Planning Council.

Briselda Hernandez went over her PowerPoint Presentation for the Committee. Business Accelerator Fund Request of 250,000.00. March 2019 the SBPC went before the MAGIC Fund Committee to help with matching funds for the PACE and FLEX Programs. They found that the MAGIC Fund was a great Source of Funding.

Souris Basin Planning Council 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, nonprofits, and entrepreneurs since 1972. They are a solutions-based team of entrepreneurs, elected officials, volunteers, and staff finding and creating opportunities within our region's communities.

The Business Accelerator Fund was established by SBPC with the approval of \$1 million in funds from the City of Minot MAGIC Fund in 2019. The goals of the BAF are to build resilient communities and enhance quality of life in North Dakota Region 2. The BAF has been established as a community source for Bank of North Dakota's (BND) PACE and Flex PACE programs. At this point, the use of the funds has been strictly for Flex PACE programs.

62 new and expanding business received BAF financing in the region, **56 in Minot alone.**
2.61MM- \$2,615,329 Funding Committed for new and expanding business in the region **96% Funding to Minot businesses.**
\$75.04MM- \$75,044,281 in other funds invested in the region **\$69.22MM in Minot**
\$4.85MM - \$4,857,039 leveraged in interest buydown from the Bank of North Dakota **96% in Minot**

It is recommendation of the Minot Area Chamber EDC to support this MAGIC Fund request, at the \$250,000 level.

Kelly Perrin moved to approve the Souris Basin Planning Council request of \$250,000 investment into the existing program, the Business Accelerator Fund. The Above motion was seconded by Jordan Nelson and passed by the following roll call votes:

Ayes: Jordan Nelson, Kelly Perrin, Dan Ternes, Todd Harris, Kevin Seehafer & Todd Telin. Nays: None

FINANCIAL REPORT

David Lakefield, Finance Director was present and asked if the committee had any questions with the Balance Sheet and Incomes Statements from December 2024.

ADJOURNMENT

Dan Ternes approved the adjournment with no other business to discuss and Jordan Nelson second the motion.

Adjournment at 8:27 AM

Respectfully submitted by Anna Schraeder.

MAGIC FUND APPLICATION

I. MAGIC FUND CONTACT OFFICE OF RESPONSIBILITY: _____

II. PREVIOUS MAGIC FUND PROPOSALS/APPLICATIONS: _____

III. THE FIRM:

A. Name of Company: United Pulse Trading Inc dba AGT Foods

B. Corporate Address: 1611 East Century Ave Suite 102 Bismarck ND 58503

C. Project Address: 1400 8th Ave SE Minot ND, 58703

D. Telephone: 701-751-1623

E. Form of Business Ownership: _____

1. If a Corporation, Indicate Federal Tax ID #: 39-2054312

F. Project Principal(s)/Contact(s):

Name	Address	% Ownership
<u>Eric Bartsch - 1611 East Century Ave Suite 102, Bismarck ND 58503</u>		

G. Product or Service: Value Added Agriculture Processing

H. Phase of Project: _____ start-up ☒ expansion _____ retention _____

I. Current Company Status:

1. Current Number of Employees

a. Full Time: 100 Average Hourly Wage: 22/hr

b. Part Time: _____ Average Hourly Wage: _____

J. Primary Bank Account(s)

1. Name: First Western Bank

2. Address: 900 South Broadway, Minot ND 58704

3. Telephone: 701-857-7144

4. Contact Person: Zach Burdick

K. Company Attorney

1. Name: _____

2. Address: _____

3. Telephone: _____

IV. PROJECT FUNDS SOURCE/USE STATEMENT

Source	Amount/Form	Use
Bank Loan	\$12,747,685	Pasta Equipment
TOTAL	\$ \$12,747,685	

V. CURRENT AND PROJECTED EMPLOYMENT

	Existing Jobs	Employment Projections	
	4-23-25 (date)	(year)	(year)
Professional	2		
Managerial	3		
Skilled	21		
Semi-Skilled	2		
Unskilled			
Total	30		
Average Hourly Wage Each Year	27.54		

VI. ALL APPLICANTS

- A. A completed MAGIC Fund Application form.
- A. Enclose information concerning any pending or threatening litigation or administrative proceeding or any outstanding administration orders, judgments, or injunctions to include company officials or any of the principals involved in bankruptcy (for the past five years)

VII. NEW BUSINESS VENTURES

- A. List three professional and three personal references.
 - 1. (professional) _____
 - 2. (professional) _____
 - 3. (professional) _____
 - 4. (personal) _____
 - 5. (personal) _____
 - 6. (personal) _____
- B. A business plan that include no less than three years pro-forma financial statements (balance sheet, income statement and cashflow statement).
- C. Signed personal financial statements for all principals who hold more than 20% interest in the venture.

VIII. EXISTING BUSINESSES (Expansion/Retention/Relocation)

- A. Enclose financial statements for the past three fiscal years, including: balance sheets, income statements. If unaudited, the statements must be signed and dated by an authorized financial officer of the business.
- B. Enclose most recent interim financial statements (balance sheet and income statements).
- C. Enclose Federal Tax returns filed by the business principals for the previous three years, if the applicant is a sole proprietorship, partnership, or corporation that does not have its financial statements audited or reviewed.
- D. Enclose a business plan, which shall include no less than three years of pro-forma financial statements (balance sheet, income statement, and cashflow statement).
- E. Attach a typewritten narrative describing the company, the project, markets served, jobs being retained/created, benefits offered, community/regional impact, competition, and any other information that may help describe the project and funding request.

The data which you supply to this department will be used to assess your firm's qualifications for MAGIC Fund assistance. Any information the company deems confidential/proprietary should be defined when presenting the application. All information submitted that can be protected by the North Dakota open records laws will be omitted from the public record as determined appropriate.

By signing below you represent that you are duly authorized to verify the foregoing application, that you have read it, and that you are familiar with the statements contained therein, which you verify are true.

SIGNATURE AND TITLE *Ric Bartach*

DATE: 5-30-25



1611 E. Century Ave. Suite 102
Bismarck, ND USA 58503-0780
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Phone: (701) 751-1623
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AGT Extrusion Center of Excellence Expansion

AGT Foods continues to embark on the cutting edge of value-added processing of North Dakota-grown pulses. AGT Foods has invested over \$100 million into its Minot, ND operations, generating value-added products such as pulse-based flours, starches, proteins, fiber, texturized proteins, pasta, and other innovative ingredients. AGT Foods is continued its investment in further value-added processing in North Dakota by launching a \$12 million expansion to the AGT Extrusion Center of Excellence in Minot, ND. The AGT Extrusion Center in Minot is quickly becoming the epicenter of gluten free pasta production in North America and consumer and customer demand is the driving force to the continued expansion of production.

Current Capacity

In December 2023, AGT Foods commissioned its first full scale gluten free pasta production line in its new AGT Extrusion Center. Due to the rapid response from customers and we are reaching the capacity of the initial line where we are pace to produce and ship over 3,500 metric tons or mt of gluten free pasta into the North American market. This project would add an additional 2 lines that will produce short pasta cuts and 1 line that will produce long cuts such as Spaghetti. We will increase capacity from 4,000 mt of pasta to 20,000 mt by end of 2026 when all lines are commissioned.

Market Opportunities

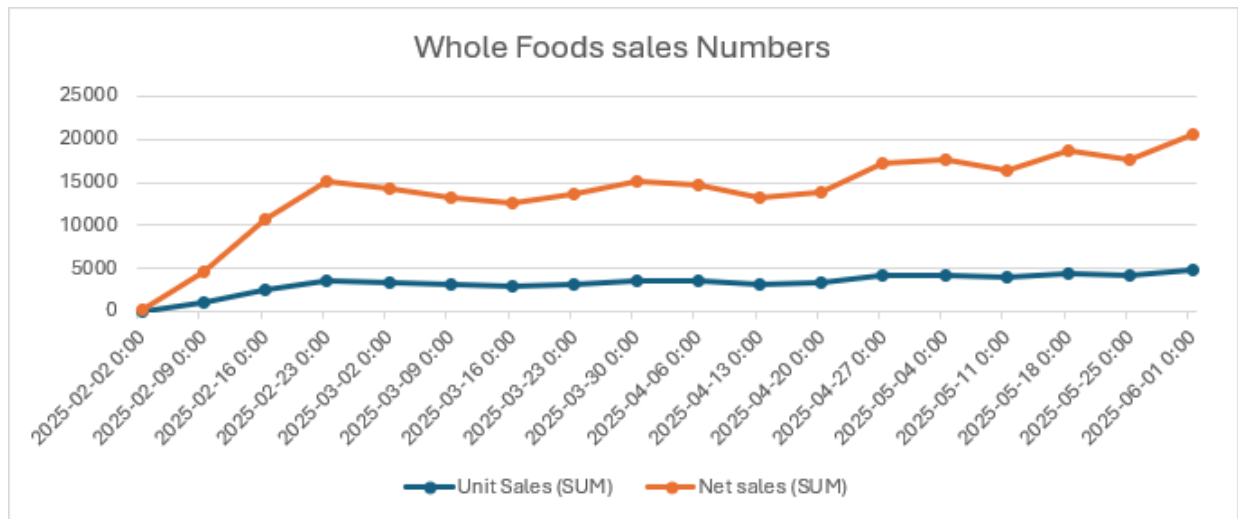
For decades, up to 90% of North Dakota-grown pulse distribution had been limited to the export market, with minimal domestic growth. This export of pulses equated to the export of jobs, and the added-value being realized overseas. However, over the past 10 years, the consumption of pulse products in North American and European markets have both grown. Vegan, vegetarian, flexitarian, and healthy lifestyle trends in North America have demanded the inclusion of pulse ingredients into everyday consumption patterns. AGT Foods has been at the forefront of transforming pulses into ingredients that are being used to produce drinks, snacks, pasta, meat analogues, pet food, and meal solutions. As a result, the pulse market in North America has grown from 1,000's of mt to an estimated 500,000 or more mt annually.

Veggipasta Expansion

Two years ago, AGT Foods launched the Veggipasta brand across the upper Midwest. Since then, distribution has expanded into eastern Canada, Türkiye, and on through online retailers such as Amazon across the United States. Recently, Veggipasta has been accepted into every Whole Foods across the United States and growth of the demand is reported as increasing on a weekly basis.

The chart below, provided from Whole Foods, shows the rapid increase in sales for AGT Foods Veggipasta at Whole Foods locations since the launch in February, 2025.





Demand for AGT Foods’s Veggipasta has continued to grow, and the expansion of production lines is required to meet the current and forecasted demand. The implementation of this project is expected to quadruple the production capacity of AGT Foods gluten-free pasta lines.

Co-man production

AGT Foods has quickly become the North American leader in gluten free pasta production and has driven the attention of several market leading brands that are asking for AGT Foods to produce their gluten free pasta. Today, AGT Foods is producing for brands such as Chickapea, Veggicraft, Birds Eye Foods, Progresso and Nortera Foods. Since having AGT Foods produce for them, several of these companies have experience market growth of over 60% because of AGT Foods ability to produce a consistent and quality gluten free pasta.

Professional Jobs Created

As AGT Foods continues to drive innovation, the demand for highly-skilled labor continues to grow. AGT Foods currently employs about 23 people that are dedicated to our extrusion operations in Minot. All together, in Minot, AGT Foods employs over 80 employees.

Impact on the Region’s Agriculture Community

The development of a North American market has given area producers another value-added opportunity when it comes to marketing their pulses. AGT Foods has been leading the charge on the development of the domestic market and creating more value for locally grown pulses. The continued expansion of the production capacity creates further opportunity to transform pulses into value-added goods, driving more value for the producer’s harvested material, creating local jobs to produce the material, providing market stability, and less dependence on export markets. The result of this value-added expansion is more dollars that stay within the Minot area and North Dakota economy, creating opportunity for producers, business owners, service providers, and local governments.

MEMO

TO: MAGIC Fund Screening Committee and Minot City Council
FROM: Brekka Kramer, President | CEO
DATE: June 13, 2025
SUBJECT: MAGIC Fund Request – United Pulse Trading (dba AGT Foods)

1. Request

United Pulse Trading Inc. (dba AGT Foods in Minot, N.D.) is in the process of receiving approval from First Western Bank and Trust and Bank of North Dakota for a PACE loan. Through the MAGIC Fund, the business is looking to secure the community's portion of the interest buydown; this portion is \$269,230.71. BND will provide their portion of this 65/35 split in the amount of approximately \$500,000, as an interest buydown.

2. Background

AGT Food and Ingredients is one of the largest suppliers of value-added pulses, staple foods, and food ingredients in the world. The company buys lentils, peas, beans, and chickpeas from farmers around their 40+ facilities located in the best pulse growing regions in Canada, the United States, Turkey, Australia, China and South Africa and ships products to over 120 countries around the globe.

In 2013, AGT Foods commissioned its first large-scale pulse ingredient and fractionation facility in Minot, North Dakota, focused on production of flours, proteins, starches, and fibers derived from pulses for use in food ingredients and branded feed products including pet food and aquaculture. The commissioning was completed in 2014, with additional capacity added later that year. Roughly half of the lentils, peas, beans, and chickpeas that go through Minot's facility are purchased from local North Dakota farmers.

A multi-million-dollar expansion occurred at the primary site for AGT Foods in Minot, north of County Road 12 in the Logistics Park of North Dakota in 2015/16 increasing the number of processing lines. AGT's superior and innovative technology minimizes the natural flavor of pulses, creating numerous versatile opportunities for pulses crops. This new technology makes Minot's facility unique and expands the horizon for the pulses. AGT chose Minot for this expansion due to Minot's strategic location with access to rail and diverse agriculture production, as well as additional land opportunities for future expansions.

AGT has invested more than \$100 million in its Minot, N.D. operations, generating value-added products such as pulse-based flours, starches, proteins, fiber, texturized proteins, pasta, and other innovative ingredients.

In 2022/23, AGT continued its investment in further value-added processing in North Dakota by launching a nearly \$10 million investment to develop the AGT Extrusion Center of Excellence in Minot. The Extrusion Center in Minot is positioning AGT as the global leader of pulse crop innovation by developing and applying new technologies, transforming raw pulses into high-quality ingredients and finished food products, with distribution to ever-increasing domestic and global markets. AGT currently creates gluten free pasta in this newest facility in Minot, located at 1400 8th Ave. SE. At that time, there was room in the facility for future expansion of up to six production lines.

3. Project Description

AGT Foods is continuing its investment in further value-added processing in North Dakota by launching a \$12.75 million expansion to the AGT Extrusion Center of Excellence in Minot. The AGT Extrusion Center is quickly becoming the epicenter of gluten free pasta production in North America, and consumer and customer demand is the driving force to the continued expansion of production. Due to the rapid response from customers, AGT is reaching the capacity of the initial line and are on pace to produce and ship over 3,500 metric tons (mt) of gluten free pasta into the North American market. This expansion project would add an additional two lines that will produce short pasta cuts and one line that will produce long cuts, such as spaghetti. AGT will increase capacity from 4,000 mt of pasta to 20,000 mt by end of 2026 when all lines are scheduled to be commissioned.

The request to the MAGIC Fund, in a forgivable loan, is for equipment purchases for the business, on an approximately \$12.75 million project.

4. Financing

Equipment Loan: \$12,747,685

Total Sources: \$12,747,685

5. Recommendation

It is the Minot Area Chamber EDC Board and staff recommendation to the MAGIC Fund Screening Committee and the Minot City Council to support this MAGIC Fund request. As a part of the request, we would ask for the \$269,230.71 in forgivable interest loan buydown from the MAGIC Fund Screening Committee and the Minot City Council for United Pulse Trading Inc.

The MAGIC Fund has been used for efforts of this sort many times in the past. This application represents one of the lowest risks for the MAGIC Fund to aid growth within a key primary sector company that employs more than 80 individuals in our community and impacts hundreds of producers in the state.



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The local bank and BND are finalizing their underwriting criteria and credit analysis of the borrower and should deem them to be eligible.

Regarding stewardship for the MAGIC Funds, the Minot Area Chamber EDC Board and staff recommend that project tracking procedures associated with the Business Incentive Agreement focus on the same requirements that the Bank of North Dakota has for this applicant, that of capital expenditures. The MAGIC funds would be structured as a forgivable loan, should the capital expenditure metrics be met within three years of this approval and should the facility and these expanded lines remain in operation at the end of those three years.

City of Minot, North Dakota
Balance Sheet
Sales Tax Economic Development
May 31, 2025
With Comparative Totals for May 31, 2024
(Unaudited)

		May 31, 2025	May 31, 2024
ASSETS			
Current Assets			
Cash and Investments		\$ 7,201,085	\$ 7,994,361
Restricted Cash and Investments		-	824,230
SBPC PACE Revolving Loan Fund for Interest Buydowns	250,000		
SBPC Service Agreement	11,667		
MACEDC Service Agreement	326,463		
Total Restricted Cash and Investments		588,130	-
Investments current		1,750,000	-
Interest Receivable		159	168
Short-term Lease Receivable		325	316
Current Loans Receivable			
Cypress Development		1,539,850	539,850
Kalix		-	12,600
LPND1		313,000	313,000
Stevens Welding		102,856	102,857
United Pulse Trading		107,692	53,846
Hot Switch Heating Systems, LLC		143,590	71,795
Allowance for Loans Receivable @ 20%		(2,928,564)	(2,581,706)
Total Current Assets		8,818,123	7,331,317
Noncurrent Assets			
Long-term Lease Receivable		5,278	5,603
Loans Receivable			
Cypress Development		-	1,000,000
LPND1		626,000	939,000
Mouse River Players		63,998	63,998
Bradley 5 Properties, LLC		100,000	100,000
Stevens Welding		25,715	25,714
United Pulse Trading		107,693	161,539
Hot Switch Heating Systems, LLC		71,795	143,590
JK Hurt Rentals, LLC		100,000	100,000
Auslander, LLC		180,000	180,000
S-J One Eleven, LLC		145,987	145,987
Margie's Art Glass Studio		84,563	84,563
Boomtown Enterprises, LLC		180,000	-
Irene M. Pitner Trust		100,000	-
Jordan Ross		134,498	-
Total Noncurrent Assets		1,925,527	2,949,994
Total Assets		<u>\$ 10,743,650</u>	<u>\$ 10,281,311</u>
LIABILITIES			
Accounts Payable		\$ 134,304	\$ -
Deferred Inflows		5,650	6,052
Total Liabilities		<u>\$ 139,954</u>	<u>\$ 6,052</u>
FUND BALANCE			
Committed for Legacy MAGIC Fund		\$ 6,763,200	\$ 6,763,200
Committed for Program Administration		528,086	-
Committed for Primary Sector		1,487,359	-
Committed for State of North Dakota Program		833,333	-
Committed for City Community Development		991,718	3,512,059
Total Fund Balance		<u>10,603,696</u>	<u>10,275,259</u>
Total Liabilities and Fund Balance		<u>\$ 10,743,650</u>	<u>\$ 10,281,311</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual
Special Revenue Fund
May 31, 2025
With Comparative Totals for May 31, 2024
(Unaudited)

Sales Tax Economic Development					
	Original Budgeted Amounts	Final Budgeted Amounts	May 31, 2025 Actual Amounts	Variance with Final Budget	May 31, 2024 Actual Amounts
REVENUES					
Sales tax collections	\$ 765,625	\$ 765,625	\$ 626,852	\$ (138,773)	\$ 582,765
Interest income	145,500	145,500	83,100	(62,400)	88,356
Rents and royalties	208	208	500	292	1,000
Miscellaneous	-	-	-	-	215,384
Total revenues	911,333	911,333	710,452	(200,881)	887,505
EXPENDITURES					
Current					
Auditors	4,167	5,385	-	5,385	950
Consultants	305,583	305,583	347,770	(42,187)	318,925
Banking and credit card fees	-	-	-	-	20
Books and subscriptions	1,875	1,875	-	1,875	4,500
Community contributions	558,875	838,273	134,304	703,969	514,346
Total expenditures	870,500	1,151,116	482,074	669,042	838,741
Excess (deficiency) of revenues over (under) expenditures	40,833	(239,783)	228,378	468,161	48,764
OTHER FINANCING SOURCES (USES)					
Transfers out	(40,833)	(40,833)	(40,833)	0	(20,833)
Total other financing sources (uses)	(40,833)	(40,833)	(40,833)	0	(20,833)
Net change in fund balance	\$ -	\$ (280,616)	187,545	\$ 468,161	27,931
Fund balance, January 1			10,416,151		10,941,904
Fund balance, May 31			<u>\$ 10,603,696</u>		<u>\$ 10,969,835</u>