



MAGIC Fund Screening Committee Meeting

Thursday, June 18, 2026, 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 - JUNE 26, 2025

It is recommended the MAGIC Fund Screening Committee review the minutes of the June 26, 2025, meeting; provide the City Clerk with any clarifying information; and approve the meeting minutes.

3. NEW BUSINESS

3.1. SOURIS BASIN PLANNING COUNCIL APPLICATION FOR FUNDS

3.2. MINOT STATE UNIVERSITY APPLICATION FOR FUNDS

3.3. FINANCIAL REPORT FOR MAGIC FUND

4. ADJOURNMENT



MAGIC Fund Screening Committee Meeting Minutes

June 26, 2025

Meeting was called to Order by Todd Harris at 7:30 AM

ROLL CALL

Members Present: Jordan Nelson, Kelly Perrin, Dan Ternes, Kevin Seehafer, Todd Telin

Not Present: Trent Livedalen

APPROVAL OF MINUTES

Kelly Perrin approved the minutes presented from February 21, 2025, MAGIC Fund Screening Committee, the above motion was seconded by Jordan Nelson and passed by the following roll call vote: ayes: Kelly Perrin, Dan Ternes, Todd Harris, Kevin Seehafer, Todd Telin, and Jordan Nelson; nays: none.

UNITED PULSE TRADING INC. DBA AGT FOODS REQUEST OF FUNDS

The motion to approve the AGT Foods application passed by the following roll call vote: ayes: Kelly Perrin, Dan Ternes, Todd Harris, Kevin Seehafer, Todd Telin, and Jordan Nelson; nays: none.

FINANCIAL REPORT FOR THE MAGIC FUND

City of Minot Finance Department staff provided the MAGIC Fund Screening committee with the financial report.

ADJOURNMENT

The meeting adjourned with a unanimous vote.

MAGIC FUND APPLICATION

I. MAGIC FUND CONTACT OFFICE OF RESPONSIBILITY: Minot Camber EDC

II. PREVIOUS MAGIC FUND PROPOSALS/APPLICATIONS: FY2019 - \$1 million
FY2022- \$780,000 | FY2023 - \$805,000 | FY2025 - \$250,000

III. THE FIRM:

- A. Name of Company: Souris Basin Planning Council
- B. Corporate Address: 18 2nd Street NE, Suite 2, Minot, ND 58703
- C. Project Address: ND Region 2 - Bottineau, Burke, McHenry, Mountrail, Renville, Pierce, and Ward Counties
- D. Telephone: 701.255.1982
- E. Form of Business Ownership: _____
1. If a Corporation, Indicate Federal Tax ID #: [REDACTED]
- F. Project Principal(s)/Contact(s):

Name	Address	% Ownership
Briselda Hernandez, Executive Director		N/A
Nathaniel Buynak, Board Chair		N/A

- G. Product or Service: BAF Program - community match for BND Flex PACE and PACE
- H. Phase of Project: _____ start-up _____ expansion _____ retention
- I. Current Company Status:
1. Current Number of Employees
- a. Full Time: _____ Average Hourly Wage: _____
- b. Part Time: _____ Average Hourly Wage: _____
- J. Primary Bank Account(s)
1. Name: Bravera Bank
2. Address: 925 20th Ae SW, Minot
3. Telephone: 701.420.5733
4. Contact Person: Cassie Simon
- K. Company Attorney
1. Name: Jake Maxson, Maxson Law Office
2. Address: 320 16th Street NW, Minot
3. Telephone: 701.839.6704

Source	Amount/Form	Use
MAGIC Fund	\$250,000	BAF investment
BND Flex PACE and PACE	\$464,285	Interest Buydown
TOTAL	\$	

	Existing Jobs	Employment Projections	
	(date)	(year)	(year)
Professional			
Managerial			
Skilled			
Semi-Skilled			
Unskilled			
Total			
Average Hourly Wage Each Year			

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  Briselda Hernandez, Executive Director

DATE: 4/27/2026

MEMO

TO: MAGIC Fund Screening Committee and Minot City Council
FROM: Brekka Kramer, President | CEO
DATE: June 10, 2026
SUBJECT: MAGIC Fund Request – Souris Basin Planning Council

1. Request

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.

2. Background

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 serving as an Economic Development District as designated by the US Department of Commerce since 1978.

The Business Accelerator Fund (BAF) was established by SBPC with funds from the City of Minot MAGIC Fund in 2019. The BAF has serves as a community source for Bank of North Dakota's (BND) PACE and Flex PACE programs.

BND supports communities to expand their economic base by combining the PACE and Flex PACE program with local community resources to buy down the interest rate on business loans. BND requires participation with a local lender and with the local community. The PACE and Flex PACE programs can reduce the borrower's rate of interest by as much as 5 percent (5%). BND assigns a community percentage factor to the 200 largest communities within the state. The factor determines the amount of BND's participation (65-85 percent) in the funding of the interest buy down.

The BAF program follows all PACE and Flex PACE guidelines and requirements. Additional information is available on the BND website: bnd.nd.gov/business/

3. Project Description

Since 2019, the BAF program has seen tremendous success and significantly passed the goals originally set for the program. With the \$2.83 million investment, SBPC has approved 81 loans. Approximately 97 percent of the projects are located in Minot. Between 2015-2025, BND invested more than \$44.91 million in Minot through the Flex PACE program. Roughly \$44.18 million was invested after the launch of the BAF program.

The BAF program was created as a revolving loan fund; funds begin revolving in 2024. As a requirement of the BND programs, SBPC cannot begin requesting principal payments until after the buy down period has passed. The average loan term for the current portfolio is just over five years, with nearly \$1.38 million scheduled to be repaid in the next three years. SBPC has received loan payoffs from 11 borrowers. See revolving timeline attachment.

As of April 2026, SBPC has an estimated \$158,000 in potential funding requests, with no funds currently available to lend from the BAF. In 2025, SBPC utilized \$148,167 from the SBPC's Resiliency Fund to support interest buydown projects. This approach is not sustainable, as the Resiliency Fund was established to provide down payment assistance.

Funds from the BAF program will be revolved and maintained in this fund - as loans are repaid by borrowers, the principal will be lent again to new borrowers. These funds will continue to leverage these investments over and over into the future as the funds revolve. It is projected by SBPC that this fund will need an additional \$750,000 to cover projects over a 2-year period.

No portion of the MAGIC Fund investment will be utilized for administrative fees to underwrite and manage the program.

4. Recommendation

It is the recommendation of the Minot Area Chamber EDC Board to support this MAGIC Fund request, at the \$250,000 level. The MAGIC Fund guidelines state, on page 5 under State of North Dakota Program Initiatives – PACE/Flex PACE, that "Capitalization of the SBPC Business Accelerator Fund can be funded through this program once per calendar year. SBPC cannot be funded more than 25% of the available funds in the MAGIC Fund account for State of North Dakota Program Initiatives."

It is recommended that at the same time the application is under consideration by the City of Minot, the City moves funds from Bucket 2 (Primary Sector) into Bucket 3 (State Program Matching Funds) to support the full request of \$250,000.

Our support for this recommendation per the guidelines does not preclude the SBPC from returning with a MAGIC Fund request for additional capitalization in future years. The use of MAGIC Funds for a revolving loan fund, toward matching/community source Flex PACE loan buy downs, has proven successful by the Souris Basin Planning Council.

Business Accelerator Fund (BAF) MAGIC Fund Requests

Year	MAGIC Fund Request	MAGIC Fund Granted
2019	\$1,000,000	\$1,000,000
2022	\$2,000,000	\$780,000
2023	\$805,300	\$805,300
2025	\$250,000	\$250,000
Total	\$4,055,300	\$2,835,300

BAF Funding Disbursement

Year	# of Loans Approved	Total Funds Approved
2019	4	\$129,985.68
2020	5	\$159,204.04
2021	12	\$603,255.55
2022	13	\$671,730.07
2023	14	\$627,333.20
2024	14	\$423,821.21
2025	17	\$611,910.28
2026 (as of March)	2	\$115,068.81
Total	81	\$3,342,308.84

BAF Revolving Schedule

Key notes:

- SBPC cannot receive interest and principal payments during a project's interest buydown period.
- Starting in 2024, projects are generally tied to a 3-year buydown period.
- These values are based on receiving 100% of payments. Loan payment modifications and loan write offs will affect this schedule.
- Future Payoff amount is contingent upon additional funding from the MAGIC Fund.
- Based on an assessment of previous years and current projects, we estimate needing a minimum of \$750,000 per year to meet demand. We anticipate meeting this in 2028.

BAF Revolving Schedule

Year	Current Payoff Schedule	MAGIC Fund Request	Future Payoff	Available to lend
2024	\$170,699*			\$170,699
2025	\$186,992*	\$250,000		\$436,992
2026	\$415,366**	\$250,000		\$665,366
2027	\$175,120	\$250,000		\$425,120
2028	\$788,146			\$788,146
2029	\$370,871		\$665,366	\$1,036,237
2030	\$197,188		\$425,120	\$622,308
2031	\$235,770		\$788,146	\$1,023,916
2032	\$319,794		\$1,036,237	\$1,356,031
2033	\$20,143		\$622,308	\$642,451
2034	\$119,604		\$1,023,916	\$1,143,520

**full amount received*

***received \$79,091 in Q1*



MAGIC Fund Proposal

April 27, 2026

Introduction

Souris Basin Planning Council (SBPC) serves the communities and counties within North Dakota Region 2, consisting of Bottineau, Burke, McHenry, Mountrail, Renville, Pierce, and Ward Counties. SBPC has been serving as an Economic Development District as designated by the US Department of Commerce since 1978.

Program Overview

The Business Accelerator Fund (BAF) was established by SBPC with funds from the City of Minot MAGIC Fund in 2019. The BAF serves as a community source for Bank of North Dakota's (BND) PACE and Flex PACE programs.

BND supports communities to expand their economic base by combining the PACE and Flex PACE program with local community resources to buy down the interest rate on business loans. BND requires participation with a local lender and with the local community. The PACE and Flex PACE programs can reduce the borrower's rate of interest by as much as 5 percent (5%). BND assigns a community percentage factor to the 200 largest communities within the state. The factor determines the amount of BND's participation (65-85 percent) in the funding of the interest buy down.

The BAF program follows all PACE and Flex PACE guidelines and requirements. Additional information is available on the BND website: bnd.nd.gov/business/

Community Need

Since 2019, the BAF program has seen tremendous success and significantly passed the goals originally set for the program. With the \$2.83 million investment, SBPC has approved 81 loans. Approximately 97 percent of the projects are based in Minot. Between 2015-2025, BND invested more than \$44.91 million in Minot through the Flex PACE program. Roughly \$44.18 million was invested after the launch of the BAF program.

The BAF program was created as a revolving loan fund; funds began revolving in 2024. As a requirement of the BND programs, SBPC cannot begin requesting principal payments until after the buy down period has passed. The average loan term for the current portfolio is just over 5 years with nearly \$1.38 million scheduled to be repaid in the next 3 years. SBPC has received loan payoffs from 11 borrowers. See revolving timeline attachment. As of April 2026, SBPC has an estimated \$158,000 in potential funding requests, with no funds currently available to lend from the BAF. In 2025, SBPC utilized \$148,167 from the Resiliency Fund to support interest buydown projects. This approach is not sustainable, as the Resiliency Fund was established to provide down payment assistance.

MAGIC Fund Request

SBPC projects needing an additional \$750,000 investment to cover projects over a 2-year period. We recognize that SBPC cannot be funded more than 25% of the available funds in the MAGIC Fund account for State of North Dakota Program Initiatives. Therefore, we are requesting the maximum amount of \$250,000.

Capacity and Experience

SBPC manages and operates the following loan programs:

1. Business Accelerator Fund: a community source for Bank of North Dakota PACE and Flex PACE programs.
2. Resiliency Fund: low-interest flexible financing tool for businesses needing down payment assistance.
3. Impact Fund: low-interest financing tool for projects that may not fit the programs listed above, or other traditional financing.

SBPC LOAN REVIEW COMMITTEE MEMBERS	SBPC EXECUTIVE BOARD OF DIRECTORS
Jersey Benson, First Western Bank & Trust	Shannon Holter, Bowbells Mayor
Mike Mueller, Bravera Bank	Jesse Baker, New Town City Councilman
Stacey LaCompte, ND Native Tourism Alliance	Lisa Olson, Minot City Councilwoman
Brandi Larson, Farmers Union Insurance	David Bednarz, Pierce County Commissioner
Jessica Aardahl, State Farm Insurance	Nathaniel Buynak, Bottineau County Commissioner
Lisa Olson, SBPC Board representative	Lori Emerson, Glenburn representative
	Arlen Gartner, Kenmare Mayor
	Davis Mary Liz, Velva Commissioner
	Brian Hoffart, Rugby JDA

Expected Community Benefit

Based on a \$250,000 MAGIC Fund investment, we estimate leveraging \$464,285 in BND PACE or Flex PACE interest buydown. Funds from the BAF program will be revolved and maintained in this fund; as loans are repaid by borrowers, the principal will be lent again to new borrowers. No portion of the MAGIC Fund investment will be utilized for administrative fees to underwrite and manage the program.

Business Accelerator Fund

MARCH 2026

Established with funds from the City of Minot MAGIC Fund.



81

new and expanding
businesses received BAF
financing in the region

74 in Minot



\$3.34MM

\$3,342,308 funding
committed for new and
expanding business
in the region

**97% funding to Minot
businesses**



\$105.38MM

\$105,388,265 in other funds
invested

\$99.56MM in Minot



\$6.20MM

\$6,207,143 leveraged in
interest buydown from the
Bank of North Dakota.

97% in Minot

Business Accelerator Fund

Program Policy, Procedures, and Oversight

- SBPC serves ND Region 2 consisting of Bottineau, Burke, McHenry, Mountrail, Pierce, Renville, and Ward counties.
- The BAF program was created in 2019 to serve as a community match source for the Bank of North Dakota (BND) Flex PACE and PACE program.
- The community match is in a form of a loan; borrowers must repay the loan with interest.
- SBPC received funding from the MAGIC Fund in 2019, 2022, 2023, and 2025 for the BAF program. The total amount is \$2,835,300.
- 100% of MAGIC Fund investment is used for lending.
- Individuals/businesses apply directly to SBPC, and we provide free technical assistance to all applicants. Our staff reviews BAF applications and presents them to the SBPC Loan Review Committee for final approval/denial.
- Prior to the BAF program, the City of Minot did not have a local program that could be used to meet the community match requirement for the BND Flex PACE program.

MAGIC FUND APPLICATION

I. MAGIC FUND CONTACT OFFICE OF RESPONSIBILITY: Minot Area Chamber EDC

II. PREVIOUS MAGIC FUND PROPOSALS/APPLICATIONS: None

III. THE FIRM:

- A. Name of Company: Minot State University
- B. Corporate Address: 500 University Ave W, Minot, ND 58707
- C. Project Address: 500 University Ave W, Minot, ND 58707
- D. Telephone: 701-858-4483
- E. Form of Business Ownership: Nonprofit
 - 1. If a Corporation, Indicate Federal Tax ID #: XXXXXXXXXX
- F. Project Principal(s)/Contact(s):

Name	Address	% Ownership
Dr. Steven Shirley	500 University Ave W, Minot, ND	

- G. Product or Service:
- H. Phase of Project: ☒ start-up ☐ expansion ☐ retention
- I. Current Company Status:
 - 1. Current Number of Employees
 - a. Full Time: _____ Average Hourly Wage: _____
 - b. Part Time: _____ Average Hourly Wage: _____
- J. Primary Bank Account(s)
 - 1. Name: _____
 - 2. Address: _____
 - 3. Telephone: _____
 - 4. Contact Person: _____
- K. Company Attorney
 - 1. Name: _____
 - 2. Address: _____
 - 3. Telephone: _____

IV. PROJECT FUNDS SOURCE/USE STATEMENT

Source	Amount/Form	Use
MAGIC FUND	\$500,000	Innovation Engineering equipment/scholarships

ND Challenge Grant	\$250,000	Innovation Engineering equipment/scholarships
TOTAL	\$750,000	

V. CURRENT AND PROJECTED EMPLOYMENT

	Existing Jobs	Employment Projections	
	(date)	(year)	(year)
Professional	_____	_____	_____
Managerial	_____	_____	_____
Skilled	_____	_____	_____
Semi-Skilled	_____	_____	_____
Unskilled	_____	_____	_____
Total	_____	_____	_____
Average Hourly Wage Each Year	_____	_____	_____

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.

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- 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  PRESIDENT, MSU

DATE: 6-9-26

Minot State University Innovation Engineering Program Request for support from the Minot Area Growth by Investment and Cooperation (MAGIC) Fund

Minot State University respectfully requests \$500,000 from the Minot Area Growth through Investment and Cooperation (MAGIC) Fund under the State of North Dakota Program Initiative to support the development of its new Innovation Engineering program. This investment would leverage an additional \$250,000 through the North Dakota Higher Education Challenge Grant Fund, creating a combined \$750,000 investment in the equipment, technology, and program enhancements needed to launch and grow a high-quality engineering program.

The Innovation Engineering program aligns closely with the MAGIC Fund's mission to strengthen the economic vitality of the Minot region through strategic investment and collaboration. By preparing students for high-demand careers and helping regional employers address engineering and technical workforce shortages, the program will contribute directly to the long-term growth and competitiveness of Minot and western North Dakota.

Minot State has a proven track record of expanding educational capacity, strengthening workforce pipelines, and responding to critical workforce needs across North Dakota.

A prime example is Minot State's nursing program. Approximately 68% of graduates remained in North Dakota following graduation, helping address healthcare workforce shortages across the state. Notably, of the 90 graduates in 2026, approximately 50% remained in Minot. To meet increasing workforce demand, Minot State plans to expand instructional capacity, enhance simulation-based learning opportunities, and increase student support resources. These efforts are expected to increase nursing cohort capacity from 24 to 32 students, resulting in approximately 16 additional nursing graduates each year.

Similarly, Minot State's Para-to-Teacher Program demonstrates the University's commitment to addressing North Dakota's shortage of qualified teachers. Launched in 2020 through a pilot grant from the Department of Public Instruction, the program created a pathway for paraprofessionals to earn teaching credentials while remaining employed in their local school districts. Enrollment in Minot State's special education program grew from 19 students in 2019-20 to more than 100 students in subsequent years, while special education graduates increased from one in 2020-21 to 34 in 2025-26. Since 2020-21, the program has produced 126 graduates, with 33% remaining in Minot, helping meet critical workforce needs in local schools. This "grow-your-own" model has strengthened educator recruitment and retention, particularly in rural communities.

Minot State has also expanded its Aspire Program, a workforce-focused initiative designed to strengthen North Dakota's future educator pipeline. Launched in 2023, Aspire connects high school students interested in education with dual-credit coursework, mentorship opportunities, and early exposure to the teaching profession. The program has served more than 100 students statewide and currently engages 21 students from 13 participating schools, helping cultivate the next generation of North Dakota educators.

Strategic investments through the North Dakota Higher Education Challenge Grant Fund have helped Minot State expand educational capacity and strengthen workforce pipelines in areas such as nursing and teacher education. These successes demonstrate the University's ability to leverage targeted investments to address critical workforce needs and produce meaningful outcomes for Minot and the state of North Dakota. The Innovation Engineering program represents the next opportunity to build upon that success by creating a sustainable pipeline of engineering talent to meet growing workforce demands throughout Minot and western North Dakota.

Overview

The Innovation Engineering program has received support from the State of North Dakota through the Workforce Education Innovation Fund (WEIF), a competitive initiative designed to strengthen workforce development, economic growth, and industry responsiveness across the state. The WEIF funding demonstrates that North Dakota has identified this program as a strategic workforce priority and recognizes its potential to address critical workforce shortages while supporting long-term economic and industrial development.

As a state-supported workforce initiative, the Innovation Engineering program aligns directly with the MAGIC Fund's support of State of North Dakota Program Initiatives. The State's investment serves as evidence that this program has already undergone rigorous review and has been recognized for its ability to contribute to North Dakota's workforce and economic development goals. Support from the MAGIC Fund would leverage and amplify this initial state investment, allowing Minot State to expand opportunities for students while accelerating workforce development outcomes for the Minot region.

For many years, western North Dakota has faced significant challenges in recruiting and retaining engineers. Students interested in engineering often leave this region of the state to pursue their degrees elsewhere, and many do not return after graduation. The Innovation Engineering program was specifically designed to reverse this trend by providing an affordable, high-quality engineering education in northwestern North Dakota while building strong connections to regional employers. As of June 1, 2026, there are 10 students registered in the first cohort of Innovation Engineering with an additional 5 registration appointments already booked for later this summer. Interested students are still contacting

the University about the program, and it is reasonable to expect more students to join between now and August. While this initial group reflects immediate, pent-up demand – including several second-year students transitioning into the curriculum – our long-term model establishes a baseline expectation of approximately 10 incoming first-year students for each subsequent cohort. Of the registered students, approximately 70% are from western North Dakota demonstrating there is an interest in our region that can be filled by this program. By creating a local pathway to engineering careers, Minot State University strives to produce field-ready engineers who can immediately contribute to the growth and competitiveness of local industries.

The Minot State University Innovation Engineering program is supported by a dedicated Workforce Development Officer and a multidisciplinary team of faculty who actively engage with regional employers, facilitate student recruitment and retention efforts, develop experiential learning opportunities, pursue external funding, and strengthen industry partnerships. This structure ensures that the program remains responsive to workforce needs while creating meaningful connections between students, employers, and the broader community. Since the beginning of the program development phase, local employers have shown support by being involved in providing input and sharing their needs for future engineering workforce skills and proficiencies.

Alignment with Primary Sector Workforce Development

To address the workforce challenges addressed above, the Innovation Engineering program creates a direct pathway for developing homegrown engineering talent that can enter the workforce prepared to contribute immediately to the needs of our regional employers. Through a combination of technical training, hands on laboratory experiences, industry engagement, and experiential learning opportunities, graduates will be prepared to support economic growth and innovation across multiple sectors of North Dakota's economy.

A particular focus of the program is strengthening the workforce pipeline for primary sector industries. These industries, including manufacturing, energy production, agricultural technology, transportation, construction, and defense-related operations, will generate economic activity producing goods and services that will bring new revenue into the region. The continued growth and competitiveness of these industries depend heavily on access to a skilled engineering workforce.

The Innovation Engineering program supports primary sector workforce development by:

- Expanding the pipeline of regional engineering professionals available to local employer operations and allowing for future expansion.

- Providing primary sector industries with access to graduates who understand the unique operational and economic needs of western North Dakota businesses.
- Supporting the long-term sustainability and growth of primary sector employment throughout northwestern North Dakota.
- Reducing workforce recruitment costs by developing engineering talent locally.
- Increasing opportunities for collaboration between industry and higher education.
- Encouraging entrepreneurship, technology development, and commercialization of innovative ideas.
- Creating opportunities for students to complete engineering degrees closer to home and establish professional connections with regional employers.
- Improving workforce retention by increasing the likelihood that graduates will live and work in North Dakota following graduation.

As graduates enter the workforce, regional employers will benefit from increased access to engineering talent, helping support business expansion, operational efficiency, technological advancements, and continued economic growth. The result will be a stronger regional economy supported by a sustainable workforce pipeline that will directly serve the needs of North Dakota's primary sector industries.

The \$500,000 requested from the MAGIC Fund will assist with the development and implementation of the Innovation Engineering program with \$350,000 for equipment, technology, and instructional resources and \$150,000 for student scholarship support. These investments will provide the foundational resources necessary to prepare workforce-ready engineers equipped with the technical skills, hands-on experience, and problem-solving abilities sought by regional employers. Scholarship support will further strengthen the program's ability to recruit and retain talented students from Minot and the surrounding region, helping reduce financial barriers while encouraging graduates to remain in North Dakota to contribute to the state's workforce needs.

Return on Investment

Near-term returns from the MAGIC Fund's support will help establish the facilities, technology, and student support systems necessary to successfully launch and grow the Innovation Engineering program. This investment will create new opportunities for students who might otherwise leave the region to pursue engineering degrees elsewhere, while increasing access to engineering education for students from Minot and the surrounding rural communities. As the program develops, Minot State will strengthen partnerships with regional employers, creating opportunities for internships, job shadowing experiences,

industry sponsored projects, and other forms of experiential learning that connect students directly to workforce needs. These collaborations will help build a sustainable pipeline of engineering talent aligned with local industry demands while fostering strong relationships between the university and the business community. In the near-term, the program will begin producing workforce-ready engineering students laying out the foundation for long-term workforce retention and economic growth throughout our region of North Dakota.

Over the long term, the Innovation Engineering program is expected to generate substantial returns for the Minot region and North Dakota by creating a sustainable pipeline of highly skilled engineering professionals. As graduates enter the workforce and establish careers within the state, regional employers will benefit from improved access to qualified talent for high demand technical positions, reducing reliance on out-of-state recruitment and strengthening workforce stability. The availability of locally educated engineers will support the continued growth and competitiveness of primary sector industries, including energy, manufacturing, agriculture, transportation, construction, and defense-related operations. Over time, the program will contribute to higher workforce retention rates, increased earning potential for graduates, and enhanced capacity for innovation and problem-solving within regional businesses. The presence of a strong engineering workforce can also serve as an economic development asset, helping attract new employers and businesses to invest in our region. Additionally, some graduates may pursue their own entrepreneurial ventures, creating new products, technologies, and businesses that may further diversify and strengthen our regional economy. Collectively, these outcomes will provide lasting benefits that will extend well beyond the university, contributing to the long-term prosperity, resilience, and economic vitality of our region.

Performance Benchmarks

Performance for the Innovation Engineering program will be evaluated using two primary benchmarks that directly reflect the intended use of the MAGIC Fund support and the scale of a developing program at Minot State University.

First, equipment, technology, and instructional resources funded through this investment will be procured within the first two years of the grant. This includes installation, faculty training, and incorporation into active and projected laboratory-based coursework and student learning experiences. For budgetary estimation purposes, Minot State has modeled its projected costs on industry-standard laboratory equipment such as those offered by TecQuipment or other representative vendors. Current pricing for TecQuipment laboratory systems includes a platform cost of approximately \$4,217 and a data acquisition system cost of approximately \$2,329 per two-student lab bench. Additionally, individual laboratory modules average approximately \$8,000 each, per bench. For

example, if 10 distinct lab modules were purchased from a representative vendor of this type, this would yield a cost of approximately \$86,500 per lab bench. While the exact vendor and hardware configurations will be finalized during the state procurement process, this framework accurately reflects the baseline capital required to significantly build out and enhance the industry-aligned laboratory environment. Evidence of success will be demonstrated through instructional design and use in engineering courses, student engagement, and hands-on activities utilizing the laboratory environment as part of the program's core curriculum.

Second, scholarship funding will be distributed strategically over a five-year period to support innovation engineering students across all academic levels, including incoming first-year students through seniors. This structure is intentionally designed to support both academic recruitment and retention, allowing the program to attract new students into the engineering pathway while also encouraging continued persistence and degree completion. We plan to distribute no less than 5 and up to 10 Innovation Engineering scholarships each school year for a five-year period. By the end of the five-year period, the scholarship component will demonstrate annual distribution across multiple student cohorts, reflecting sustained student engagement and progression within the program.

Together, these benchmarks provide a measurable framework for accountability while reflecting the phased implementation necessary for establishing a new, workforce aligned engineering program.

MEMO

TO: MAGIC Fund Screening Committee and Minot City Council
FROM: Brekka Kramer, President | CEO
DATE: June 10, 2026
SUBJECT: MAGIC Fund Request – Minot State University

1. Request

Minot State University (MSU) is requesting a \$500,000 MAGIC Fund investment into the new MSU Innovation Engineering program, to enhance workforce solutions for the region. This funding would allow for a \$250,000 state match from the North Dakota Higher Education Challenge Grant Fund. The total investment would be applied toward both necessary program-related equipment and scholarships. The funding being requested would come out of the State of North Dakota Program Initiatives funding pool under the MAGIC Fund.

2. Background

The Innovation Engineering program aligns closely with the MAGIC Fund's mission to strengthen the economic vitality of the Minot region through strategic investment and collaboration. By preparing students for high-demand careers and helping regional employers address engineering and technical workforce shortages, the program will contribute directly to the long-term growth and competitiveness of Minot and western North Dakota.

Minot State has a proven track record of expanding educational capacity, strengthening workforce pipelines, and responding to critical workforce needs across North Dakota.

A prime example is Minot State's nursing program. Approximately 68 percent of graduates remained in North Dakota following graduation, helping address healthcare workforce shortages across the state. Notably, of the 90 graduates in 2026, approximately 50 percent remained in Minot. To meet increasing workforce demand, Minot State plans to expand instructional capacity, enhance simulation-based learning opportunities, and increase student support resources. These efforts are expected to increase nursing cohort capacity from 24 to 32 students, resulting in approximately 16 additional nursing graduates each year.

Similarly, Minot State's Para-to-Teacher Program demonstrates the University's commitment to addressing North Dakota's shortage of qualified teachers. Launched in 2020 through a pilot grant from the Department of Public Instruction, the program created a pathway for paraprofessionals to earn teaching credentials while remaining employed in their local school districts. Enrollment in Minot State's

special education program grew from 19 students in 2019-20 to more than 100 students in subsequent years, while special education graduates increased from one in 2020-21 to 34 in 2025-26. Since 2020-21, the program has produced 126 graduates, with 33 percent remaining in Minot, helping meet critical workforce needs in local schools. This "grow-your-own" model has strengthened educator recruitment and retention, particularly in rural communities.

Minot State has also expanded its Aspire Program, a workforce-focused initiative designed to strengthen North Dakota's future educator pipeline. Launched in 2023, Aspire connects high school students interested in education with dual-credit coursework, mentorship opportunities, and early exposure to the teaching profession. The program has served more than 100 students statewide and currently engages 21 students from 13 participating schools, helping cultivate the next generation of North Dakota educators.

Strategic investments through the North Dakota Higher Education Challenge Grant Fund have helped Minot State expand educational capacity and strengthen workforce pipelines in areas such as nursing and teacher education. These successes demonstrate the University's ability to leverage targeted investments to address critical workforce needs and produce meaningful outcomes for Minot and the state of North Dakota. The Innovation Engineering program represents the next opportunity to build upon that success by creating a sustainable pipeline of engineering talent to meet growing workforce demands throughout Minot and western North Dakota.

Project Description

The Innovation Engineering program has received support from the State of North Dakota through the Workforce Education Innovation Fund (WEIF), a competitive initiative designed to strengthen workforce development, economic growth, and industry responsiveness across the state. The WEIF funding demonstrates that North Dakota has identified this program as a strategic workforce priority and recognizes its potential to address critical workforce shortages while supporting long-term economic and industrial development.

As a state-supported workforce initiative, the Innovation Engineering program aligns directly with the MAGIC Fund's support of State of North Dakota Program Initiatives. The State's investment serves as evidence that this program has already undergone rigorous review and has been recognized for its ability to contribute to North Dakota's workforce and economic development goals. Support from the MAGIC Fund would leverage and amplify this initial state investment, allowing Minot State to expand opportunities for students while accelerating workforce development outcomes for the Minot region.

For many years, western North Dakota has faced significant challenges in recruiting and retaining engineers. Students interested in engineering often leave this region of the state to pursue their degrees elsewhere, and many do not return after graduation. The Innovation Engineering program was specifically designed to reverse this trend by providing an affordable, high-quality engineering education in northwestern North Dakota while building strong connections to regional employers.

The \$500,000 requested from the MAGIC Fund will assist with the development and implementation of the Innovation Engineering program with \$350,000 for equipment, technology, and instructional resources and \$150,000 for student scholarship support. These investments will provide the foundational resources necessary to prepare workforce-ready engineers equipped with technical skills, hands-on experience, and problem-solving abilities sought by regional employers. Scholarship support will further strengthen the program's ability to recruit and retain talented students from Minot and the surrounding region, helping reduce financial barriers while encouraging graduates to remain in North Dakota to contribute to the region's workforce needs.

3. Recommendation

It is the recommendation of the Minot Area Chamber EDC Board to support this MAGIC Fund request, at the \$500,000 level. The MAGIC Fund guidelines state, on page 4 under State of North Dakota Program Initiatives, that the "MAGIC Fund may be considered to satisfy the local match requirements associated with state programs that support economic and industrial development and encourage and assist in the development of employment".

The proposal by MSU to educate engineers to serve in local and regional businesses addresses clearly identified needs within the workforce pipeline. This enhanced workforce solution will be handled by our region's premier higher education entity with a clear, capable history of providing workforce solutions to aid economic need and growth. By matching a well-known state program, the North Dakota Higher Education Challenge Grant, MSU will tap into an additional \$250,000 in state funding.

It is recommended that potential benchmarks associated with this funding be tied to capital spent on equipment (as shown through receipts within the first two years) and scholarship funding provided to students (over a five-year period). The \$500,000 would be structured as a forgivable loan should benchmarks in a development agreement be met.



Innovation Engineering Program



MAGIC Fund Request: \$500,000

Minot State University has launched an Innovation Engineering program to help meet Minot's growing demand for engineering talent and strengthen the city's long-term economic competitiveness. By creating a local pathway to engineering careers, the program will help Minot businesses recruit and retain skilled professionals, support industry growth, and keep talented students living and working in the community.

- Students who leave North Dakota for engineering degrees often establish careers elsewhere, creating a talent drain for the region.
- Minot employers need engineering talent to support growth, expansion, innovation, and succession planning.
- Every engineering graduate retained in Minot strengthens the local workforce, economy, and tax base.
- Program creates a local pathway to engineering careers.
- 80% of currently enrolled students are from western North Dakota.
- Strengthens Minot's workforce capacity and supports long-term economic development for the city and surrounding region.

Funding Request

MAGIC Fund support will leverage additional state matching dollars and provide the resources needed to strengthen and enhance the program.

- MAGIC Fund Request: \$500,000
- ND Higher Education Challenge Grant Match: \$250,000
- Total Investment: \$750,000
- Funds support equipment, technology, laboratories, and scholarships.

Why Minot State?

Minot State has a proven history of developing programs that address critical workforce shortages in North Dakota.

- Nursing graduates helping fill healthcare workforce needs
- Para-to-Teacher program producing special education teachers for North Dakota schools
- Aspire program building the future educator pipeline
- Demonstrated success leveraging investments into workforce outcomes

Regional Impact

The program will support industries that are essential to the economy of Minot and western North Dakota.

Industries Served

- Manufacturing
- Energy
- Transportation
- Construction
- Defense



Use of Funds

Funding will provide the infrastructure and student support necessary to establish a high-quality engineering program.

Allocation

- \$350,000 - Equipment, technology, and instructional resources
- \$150,000 - Student scholarships



Return on Investment

The Innovation Engineering program will generate long-term economic and workforce benefits for Minot by developing homegrown talent, strengthening local employers, and helping retain young professionals in the community.

Expected Outcomes

- Sustainable engineering workforce pipeline for Minot
- Increased retention of Minot State University graduates
- Support for business growth and innovation
- Reduced dependence on out-of-state recruitment
- Enhanced economic competitiveness within the city

Bottom Line

A \$500,000 MAGIC Fund investment will leverage an additional \$250,000 in state matching funds to create a \$750,000 investment in Minot's future workforce. The result will be a locally educated engineering talent pipeline that helps Minot businesses grow, attracts new opportunities to the community, and keeps talented graduates living and working in Minot for years to come.

June 1, 2026

Dear Members of the Committee,

I am writing to strongly support Minot State University's Innovation Engineering program, led by Dr. Bryan Schmidt, and its application for grant funding to support student scholarships and essential equipment.

This program represents a timely and strategic investment in the future of North Dakota's workforce, particularly in western North Dakota, where demand for engineering-related skills continues to grow across multiple sectors. By integrating core engineering principles with hands-on, practical application, the Innovation Engineering program is uniquely positioned to prepare students for high-demand careers in areas such as automation, process optimization, and emerging technologies.

As CEO of Creedence Energy Services, I see firsthand the critical need for talent that can bridge technical knowledge with real-world problem solving. Our industry, along with agriculture and many others in the region, require individuals who are not only technically competent, but also adaptable, innovative, and capable of contributing immediately. This program directly addresses that need by producing graduates who are ready to add value from day one.

In my role as Chair of the North Dakota State Board of Higher Education, I also recognize the importance of aligning academic programs with the evolving needs of our regional economy. The Innovation Engineering program exemplifies the kind of forward-thinking, workforce-focused education that strengthens our institutions and enhances long-term economic competitiveness across the state.

Support from the MAGIC Fund will play a vital role in ensuring the program's success. Scholarships will expand access for students, while investment in modern equipment will ensure they are trained using the tools and technologies that reflect today's workplace.

I commend Minot State University and Dr. Schmidt for their leadership in launching this initiative and strongly encourage your consideration of this funding request. This program is not only an investment in students, but it is also an investment in the long-term vitality of Minot and the broader region.

Thank you for your consideration and for your continued commitment to strengthening our community.

Sincerely,



Kevin Black
CEO, Creedence Energy Services
Chair, North Dakota State Board of Higher Education

**North American
COAL**

FALKIRK MINE

June 2, 2026

Dear Minot Area Chamber EDC Review Committee,

On behalf of Falkirk Mining Company, I am pleased to provide this letter of support for Minot State University's Innovation Engineering Program.

As a long-standing energy producer in North Dakota, we recognize firsthand the importance of developing a strong, locally trained engineering workforce. The introduction of an engineering degree option in this region represents a meaningful step forward in addressing both current and future industry needs.

We strongly support the program's emphasis on building partnerships with industry to ensure the curriculum aligns with real-world applications. The ability to collaborate on internships, cooperative education opportunities, and career pathways will be critical in preparing students to contribute effectively from day one.

North Dakota's economy is deeply rooted in energy and agriculture, and both sectors continue to face a growing demand for skilled engineers. Programs like Innovation Engineering are essential to strengthening the workforce pipeline and ensuring companies like ours can continue to operate safely, efficiently, and competitively.

We also believe this program will provide both short-term and long-term returns on investment. In the near term, it will help attract and retain students interested in engineering careers within the region. Over the long term, it will contribute to economic development, innovation, and the sustainability of key industries across western North Dakota.

We appreciate the opportunity to support this initiative and look forward to continued collaboration with Minot State University as the program develops.

Sincerely,



Stephen Burke, PE
Technical Group Manager
Falkirk Mining Company

Falkirk Mine
2801 1st Street SW
Underwood, ND 58576
P: 701.442.5751 F: 701.250.2473
NACoal.com
The Falkirk Mining Company, a subsidiary company of The North American Coal Corporation

 A NACCO COMPANY



6844 Highway 40, Tioga, ND 58852 701-664-1492

June 1, 2026

Minot Area Growth by Investment and Cooperation (MAGIC) Fund
Minot Area Chamber EDC
1020 20th Ave. SW
Minot, ND 58702

RE: Minot State University Innovation Engineering Program Proposal

MAGIC Fund Review Committee,

Neset Consulting Service Inc., headquartered in Tioga ND, the Oil Capital of North Dakota, is a local leader in the energy industry services sector. Neset is directly involved with the labor force demands of the local energy industry and has in depth understanding of current needs. The abundant energy resources in the state has made North Dakota a dominant energy producer and created incredible career opportunity.

With ever increasing incorporation of technology into the energy industry the demand for skilled work force becomes more critical every year. Proper training of a skilled workforce for the North Dakota energy industry is and will continue to be critical for the development and production of the states energy resources. Local training opportunities are in high demand, the requirements to enter a heavy industrial labor market are important for success and safety.

Neset Consulting Service Inc strongly supports the development of the MSU Innovation Engineering Program. This program will provide local North Dakotans access to the training required to build a career in the North Dakota energy industry. National and global energy demand forecasts are enormous and the opportunity for North Dakotans to provide for the local, national and global energy demand is incredible. North Dakota will immediately need the technically skilled individuals that this program will produce.

Sincerely

Roy Neset
VP Geology

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget to Actual
Special Revenue Fund
May 31, 2026
With Comparative Totals for May 31, 2025
(Preliminary & Unaudited)

Sales Tax Economic Development					
	Original Budgeted Amounts	Final Budgeted Amounts	May 31, 2026 Actual Amounts	Variance with Final Budget	May 31, 2025 Actual Amounts
REVENUES					
Sales tax collections	\$ 818,750	\$ 818,750	\$ 644,192	\$ (174,558)	\$ 626,852
Interest income	165,712	165,712	89,659	(76,053)	83,100
Rents and royalties	208	208	500	292	500
Miscellaneous	-	-	-	-	-
Total revenues	984,670	984,670	734,351	(250,319)	710,452
EXPENDITURES					
Current					
Auditors	5,000	5,000	-	5,000	-
Consultants	279,021	279,021	343,188	(64,167)	347,770
Community contributions	83,333	333,403	34,721	298,682	134,304
Total expenditures	367,354	617,424	377,909	239,515	482,074
Excess (deficiency) of revenues over (under) expenditures	617,316	367,246	356,442	(10,804)	228,378
OTHER FINANCING SOURCES (USES)					
Transfers out	(617,316)	(655,191)	(268,211)	386,980	(40,833)
Total other financing sources (uses)	(617,316)	(655,191)	(268,211)	386,980	(40,833)
Net change in fund balance	\$ -	\$ (287,945)	88,231	\$ 376,176	187,545
Fund balance, January 1			10,974,564		10,416,151
Fund balance, May 31			<u>\$ 11,062,795</u>		<u>\$ 10,603,696</u>

City of Minot, North Dakota
Balance Sheet
Sales Tax Economic Development
May 31, 2026
With Comparative Totals for May 31, 2025
(Preliminary & Unaudited)

	May 31, 2026	May 31, 2025
ASSETS		
Current Assets		
Cash and Investments	\$ 9,719,723	\$ 8,951,085
Restricted Cash and Investments		
SBPC Service Agreement	15,000	
MACEDC Service Agreement	326,462	
Total Restricted Cash and Investments	341,462	588,130
Interest Receivable	150	159
Short-term Lease Receivable	336	325
Current Loans Receivable		
Cypress Development	1,539,850	1,539,850
LPND1	313,000	313,000
Stevens Welding	51,428	102,856
United Pulse Trading	107,692	107,692
Hot Switch Heating Systems, LLC	71,795	143,590
Allowance for Loans Receivable @ 20%	(3,373,558)	(2,928,564)
Total Current Assets	8,771,878	8,818,123
Noncurrent Assets		
Long-term Lease Receivable	4,943	5,278
Loans Receivable		
LPND1	313,000	626,000
Mouse River Players	63,998	63,998
Bradley 5 Properties, LLC	100,000	100,000
Stevens Welding	-	25,715
United Pulse Trading	323,078	107,693
Hot Switch Heating Systems, LLC	71,795	71,795
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	180,000
Irene M. Pitner Trust	100,000	100,000
Jordan Ross	134,498	134,498
Kamp Collective	134,304	-
CXL, LLC	180,000	-
Walker Properties, LLLP	180,000	-
Total Noncurrent Assets	2,296,166	1,925,527
Total Assets	<u>\$ 11,068,044</u>	<u>\$ 10,743,650</u>
LIABILITIES		
Accounts Payable	\$ -	\$ 134,304
Deferred Inflows	5,249	5,650
Total Liabilities	<u>5,249</u>	<u>139,954</u>
FUND BALANCE		
Committed for Legacy MAGIC Fund	6,763,200	6,763,200
Committed for Program Administration	114,345	528,086
Committed for Primary Sector	2,676,551	1,621,663
Committed for State of North Dakota Program	480,769	833,333
Committed for City Community Development	1,027,930	857,414
Total Fund Balance	11,062,795	10,603,696
Total Liabilities and Fund Balance	<u>\$ 11,068,044</u>	<u>\$ 10,743,650</u>