

MAGIC Fund Screening Committee

October 22, 2021

City Council Chambers - Second Floor - City Hall

515 2nd Ave SW

7:30 AM

Agenda

1. ROLL CALL
2. SEPTEMBER 18, 2020
APPROVE MINUTES

Documents:

[MAGIC FUND SCREENING COMMITTEE NOTES - SEPTEMBER 18 2020.PDF](#)

3. MADC - Stevens Welding \$128,571.49 Grant For PACE Loan Interest Buydown
MAGIC Fund Committee and City Council

L. John MacMartin, President

October 7, 2021

MAGIC Fund Request - Stevens Welding and Machine Request

Stevens Welding and Machine in Glenburn, ND has been approved by 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 \$128,571.49. BND will provide their portion of this 70/30 split in the amount of \$300,000, as an interest buydown.

Background

Stevens Welding was founded by Roy Stevens after World War II. The business was operated by his sons in the 80s and 90s. In 2008, Stevens Welding was sold and renamed DoAll Industries USA, LTD. This newly-named business went bankrupt. In May 2021, Steve Farden purchased the business assets and named it Stevens Welding and Machine.

Project Description

The loan being requested is for an asset/real estate purchase for the business. Keeping this decades-old company in Glenburn retains seven full-time positions. Farden plans on expanding the business to more than 20 employees. Over the years, Stevens has been an industry leader in utilizing cutting-edge technology for hydraulic, fabrication, welding and repair services. The company services not only the agricultural industry but the oilfield as well.

Financing

Cash Equity:	\$785,300
Real Estate Loan:	\$808,000
Equipment Loan:	\$1,406,700
Total Sources:	\$3,000,000

Recommendation

It is the recommendation of the Minot Area Chamber EDC to support this MAGIC Fund request. As a part of the request, we would ask for the \$128,571.49 in interest loan buydown from the MAGIC Fund Steering Committee and the Minot City Council for Stevens Welding and Machine in Glenburn, ND.

MAGIC Funds have 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 ensure critical workforce within the trade area stays employed under new ownership. The local bank and BND have gone through their underwriting criteria and credit analysis of the borrower and deemed them to be eligible. Regarding stewardship for the MAGIC Funds, Minot Area Chamber EDC recommends that project tracking procedures include the number of employees and proposed salary as indicated below.

End of 2021 - 7 employees, Avg. Salary of \$35/hr.

End of 2022 - 15 employees, Avg. Salary of \$35.75/hr.

End of 2023 - 25 employees, Avg. Salary of \$36.50/hr.

Documents:

[DOCUMENT_2021-10-18_105714.PDF](#)
[STEVENS WELDING BUSINESS PLAN.PDF](#)
[STEVENS WELDING PAYROLL PROJECTIONS.PDF](#)
[MAGIC FUND PROJECTED FINANCIALS REVISED.PDF](#)

4. FINANCIAL REPORT

Finance- Balance Sheet and Income Statement

Documents:

[BALANCE SHEET.PDF](#)
[INCOME STATEMENT \(003\).PDF](#)

5. OTHER BUSINESS

6. ADJOURN