

November 2, 2022 Ad Hoc Meeting - MAGIC Fund

Ad Hoc Meeting – MAGIC Fund – November 2, 2022 AT 2:30 P.M.

Members Present:

Roscoe Streyle (Chairman), Harold Stewart (City of Minot City Manager), Brekka Kramer (MACEDC CEO/President), Paul Pitner (City Council Representative), Cassidy Hjelmstad (MACEDC Board Member) and Randy Hauck (MACEDC Board Member)

Members Absent:

None

Also Present:

Mikayla McWilliams (City Clerk)

The meeting was called to order by Chairman Roscoe Streyle at 2:30 pm. Brekka Kramer discussed the changes and options of the MAGIC Fund Guidelines that had been previously discussed in the prior meeting. The beginning section of History and General Purpose was just language clean up.

Under the topic Fund Uses, Limits, and Fiscal Controls, the tiers were changed out to highlight more than just the primary sector. There was clarifying of language and highlighting of the items still needing consideration. The committee needs to decide on thresholds and the idea of changing the annual review to be more in line with the City of Minot budgeting process.

Roscoe expressed his concern about using percentages and/or thresholds with the tiers. Roscoe mentioned if the council could change them if a big project or application comes into the MAGIC Fund. It was brought up going through MACEDC, the Screening Committee, and City Council process might be enough to not need the thresholds.

Brekka pointed out a few changes that were made from the prior meeting discussions. On page 4, the clause was added if about the ND State Program local matches. Also, on page 2 the change was added in about aligning the review of the guidelines with the City of Minot budgeting process. The committee decided to remove the improve quality of life in the Minot area goal from page 2.

Harold discussed the balance between using the money in the fund but holding enough also. HUB City funding is the best example on this process. He also mentioned the committee might want to move from the idea of a minimum threshold and look more at a maximum threshold for the tiers. Paul wondered how fast the funding can get brought back up if the dollars get expensed from tier 1.

Discussions happened about how the guidelines need to protect the funding and the definition of a small business since it is a tier in the guidelines. If a prior applicant requests more money from the MAGIC Fund, the applicant must go through the full process again. Option 1 in the drafts under the Conflict of Interest section, was liked by the committee. Under the Application Process section, it was clarified if an application is denied on any level it does not progress further in the process. It was mentioned to add in language about the authority for any level to add stipulations to the application and the authority to change the funding level.

In the discussions of thresholds, it was discussed that the fund needs to be a priority but also if there is an excess of funds then it should go to other economic development projects. The funding and thresholds can be looked at on an annual basis with the review of the guidelines.

Alderman Podrygula mentioned the General Purpose section is a good area to show the intent the money is going to be used. He also would like to see the guidelines define or give examples of the primary sector. Brekka mentioned the definition is lengthy and reviewed annually so it might be best to stay with the reference to the definition. Private sector is typically manufacturing and/or industrial.

On page 3 of the guidelines, there is information on forgivable vs non-forgivable loans. In the past, the MAGIC Fund has not done a non-forgivable loan. Forgivable loans you need to be eligible for, there needs to be a legit

reason to give the loan and it relies on job creation. Non-forgivable loans might be an option for the fund to start to look at to replenish funding. It was also mentioned the BIA process could have an administrative fee.

Lastly, Brekka mentioned that the committee might want to look at the timing of the MACEDC Board meetings in conjunction with the MAGIC Fund Screening Committee deadlines and City Council deadlines. The process might be lengthy for applications do to the deadline process. The committee will be scheduling the next meeting November 9th at 2:00 pm.

There being no further business, the meeting adjourned at 3:42 pm.