

## MANDAN ARCHITECTURAL REVIEW COMMISSION MINUTES

January 18, 2011

**ROLL CALL:** Rick Zander/President, Leonard Bullinger/Vice President, Jason Krebsbach, Jerome Gangl, Robert (Bob) Vayda, Richard Barta/Building Official, Steve Nardello/Fire Chief and Kim Fettig/City Engineering.

**MEMBERS ABSENT:** Joe Lukach.

**GUESTS:** Wade Bachmeier, Century 21 Landmark Realty, and Perry Schlosser, Schlosser Home Contracting.

The meeting was called to order at 1:00 p.m.

**FIRST ORDER OF BUSINESS:** Continue with the discussion regarding Ordinance 1013 from the previous meeting.

Rick asked where the discussion left off at the last meeting. Mary read from the January 11<sup>th</sup> minutes; “three or more units and commercial on the main level and residential on the upper level”. Richard stated that it is not correct. It should be three or more units OR a mixture of commercial on the main level with residential on the upper level. Mary noted she would change the minutes to reflect that change. Bob added that at the last meeting, he had invited them to bring back renderings of options.

Richard started the discussion by informing the board of his conversation with the Bismarck Building Inspections department. They (Bismarck) indicated they only have about three homes in their Core area. This would not be so for Mandan. Leonard stated that with any new construction, the architectural design needs to be the same as the surrounding area. Such as two story homes and etc. Jason stated that the requirements for the Core, indicates they stay in context.

Mr. Bachmeier asks to speak. He states that at this time they are asking the commission to move the line (boundary) for the downtown Core District from 6<sup>th</sup> Ave NW to 5<sup>th</sup> Ave NW. Currently the line is only ¼ block away from this lot. Mr. Schlosser is proposing a twin home; main floor only; no steps; and trying to cater to the elderly who wish to be in the downtown area and a three unit structure was not in the original proposal. This commission also asked why they didn't want to build a commercial building. Mr. Bachmeier indicated at the last meeting and again today, that it was cost factor. Mr. Bachmeier then handed out an estimated cost analysis for the construction of a commercial building (inserted).

Analysis of Office Building  
1<sup>st</sup> Street NW, Mandan ND

This analysis assumes a building size of 4,000 square feet and off street parking. Replacement Cost New is determined by using the Marshall and Swift Valuation Guide (building cost guide). The application used is the Marshall & Swift Commercial and Agricultural Estimator 7 computer program which calculates the replacement cost new as well as automatically applying the current and local cost multipliers for a total replacement cost new. This program is updated quarterly by Marshall & Swift with the last update, and the one used in this appraisal being January 2011.

The estimated replacement cost new for a 4,000 square foot building with a ten foot sidewalk height, wood or steel framed exterior walls and an average ranking is \$105.52 per square foot.

Building Cost (4,000 SF x \$105.52)	\$422,000 (rounded)
Land Cost	\$50,000
Total	\$472,000

Assuming a 70% LTV (30% equity position), a 6% interest rate and a 15 year term, the payment on the loan would be \$2,788 per month.

Estimated Expense

Principal and interest	\$33,456 (\$2,788 per month x 12 months)
Tax	\$11,800 (estimated)
Insurance	\$2,500 (estimated)
Management 5%	\$1,673
Maintenance 10%	\$3,346
Utilities	Assumed to be paid by lessee
Total	\$52,775 per year

Potential Gross Income

4,000 square feet x	\$8.00 per SF =	\$32,000
	\$10.00	\$40,000
	\$12.00	\$48,000
	\$13.19	\$52,760 (Break even)
	\$14.00	\$56,000

Comparable lease rates for upscale office space in Mandan vary from \$8.00 to \$12.00 per square foot.

If the expected lease rate would be \$12.00 per square foot, it would take an equity position of \$283,000 (40% down payment) in order to have a payment that would be supported by the income. This would not provide any return on the equity (down payment).

Bob asked how realistic is \$105.52? Mr. Schlosser indicated that for a single family residence, they bid at approximately \$130 per square foot. Jason thought the \$105 number to be low. Bob agreed and stated that is what he was thinking.

Discussion followed concerning leasing space vs. selling space; ADA requirements; and apartments vs. condos.

Richard reiterated that the commission needed to decide on the number of units; the design; and to also determine if the boundary location needed to be changed.

Bob questioned studio apartments and Mr. Schlosser and Mr. Bachmeier indicated they had no interests to construct this type of property. Jason thought a bungalow type structure; with wrought iron accents; possibly a bump-out or small porch; or arched elements would look and fit very nicely into the area.

Discussion then turned towards the setback requirements for this type of zone (commercial) vs. the requirements for residential properties and also regarding guidelines in the Core District.

Jerome asked if they were going to move the line (border) as Mr. Bachmeier indicated this was their request and they shouldn't make a decision from what Mr. Schlosser wants to build but according to what we (this commission) decide is best and then let him (Schlosser) build from there.

Bob makes a motion to move the boundary. Richard asked where. Bob withdrew his motion due to lack of finishing the wording.

*Kim made a motion to move the Core District boundary/border from 6<sup>th</sup> Ave NW to 5<sup>th</sup> Ave NW.*

*Steve seconded.*

Rick asked for any further discussion. Jerome asked that if they moved the boundary and placed this property in the Fringe District; what requirements they would have to follow. Richard noted that they would be allowed to build the two-unit they originally proposed.

Jerome stated that it is only his opinion, but he does not like the project as originally presented. It looks like they just dropped the house in the area; meaning it doesn't blend in well with existing residences.

Jason asked Mr. Schlosser to try and pull some detail in from the surrounding area residences and/or elements of design to make the new construction blend. Jason noted that there is notation regarding similar design standards already in the ordinance. Steve read from the ordinance and stated ... for residential buildings containing 8 or fewer units, traditional building materials needed... so there would be no restrictions. Jerome stated that is his only objection – he does not that house (the one presented) looks good in that location. Jason would like an effort made to pull some detail from the adjacent neighborhood. For example – a half story; decorative dormer; bracking or details; and/or elements of design.

Jason adds that there is one paragraph in the Core District (Page 6) and this could be implemented in the Fringe District also (see inserted).

**In order to maintain a sense of harmony within the area, the colors and materials used should generally be compatible with or complementary to those used for buildings on adjoining parcels.**

*Kim amended her motion to include the above paragraph from the Core District (Page 6) and implement it into the Fringe District (Page 10) and to also move the boundary from 6<sup>th</sup> Ave NW to 5<sup>th</sup> Ave NW.*

*Steve again seconded.*

Jason noted that this doesn't go to the extreme as changing the particulars, but it does give them the authority to request architectural elements and maintain a sense of harmony.

Richard notes that he is concerned about a number of residential properties; that we shouldn't totally eliminate them; because if they need to re-build due to damage; otherwise these homes will have an issue with the market. Currently, we (Building Inspections Dept) send out letters indicating that if they use the same footprint, they can re-build a damaged structure. This bothers him with keeping such a restrictive district. Steve asked if he thought they should move the line. Richard stated no; that they should have the opportunity to come before this commission and be able to re-build something if destroyed by fire or etc. It was noted this would be discussed further at the next meeting.

Rick notes that he could possibly have a conflict since he does work for Mr. Schlosser. It was noted that as long as he declares his conflict, he can vote.

*Upon roll call vote: Jason, aye; Bob, no; Richard, aye; Leonard, aye; Kim, aye; Jerome, aye; Steve, aye; and Rick, aye.*

*Motion passes 7 to 1.*

Richard states that they will try to have the changes in the ordinance for review at the next meeting and then it must go to City Commission for two readings before becoming implemented.

Jason leaves the meeting at 2:05 p.m.

**SECOND ORDER OF BUSINESS:** Election of officers.

Leonard agrees to move from the vice-presidency into the presidency position.

*Steve makes a motion for Leonard Bullinger to become the president of the commission.*

*Kim seconded.*

*Upon vote, the motion passes unanimously.*

*Jerome nominates Joe Lukach for the vice-presidency.*

*Steve seconded.*

*Upon vote, the motion passes unanimously.*

**MINUTES:** Approve the minutes from the January 11<sup>th</sup> meeting.

*Richard makes a motion to approve with the following correction:*

*... three or more units or a mixture of commercial on the main level with residential on the upper level (Page 3).*

*Kim seconded.*

*Upon vote, the motion passes unanimously.*

There being no further business, the meeting was adjourned at 2:09 p.m.

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Approved by:

Date

Transcribed by:  
Mary Fahlsing/Admin. Specialist