

**Growth Fund Members:**

Chairman,

Tim Spilman

Vice Chairman,

Mark Weide

Jeremy Bauer

Annette Behm-Caldwell

Don Boehm

Jeff Erickson

Rick Horn

Curtis Patzell

Michael J.B. Schaff

**Liaisons:**

City Commissioner, City of Mandan

Mike Braun

City Attorney, City of Mandan

Malcolm Brown

City Administrator, City of Mandan

Jim Neubauer

Chief Building

Official/Assessor, City of Mandan

Douglas Lalim

Finance Director, City of Mandan

Greg Welch

Business Development Director, City of Mandan

Ellen Huber

Bismarck-Mandan

Development Association

Brian Ritter

Lewis & Clark Regional Development Council

Brent Ekstrom

**Mandan Growth Fund**

**February 11, 2014**

**Noon**

**Mandan City Hall**

**205 Second Avenue NW**

**Former Morton County Library Room**

1. Introductions

*Those members indicated with  were in attendance.*

2. Consider the following minutes:

a) January 3, 2014

*A correction on page 3 to replace Brent Erickson with Brent Ekstrom was made. Annette Behm-Caldwell moved to approve the minutes, Jeff Erickson seconded. Motion passed unanimously.*

3. Discussion related to Flex-Pace Program.

*Ellen Huber reviewed a draft of interest buy-down guidelines. The proposed guidelines include background information on Bank of North Dakota programs that provide assistance to reduce an eligible borrower's rate of interest by as much as 5%. Eligible borrowers include primary sector businesses and businesses or entities that meet community needs. New within this latter category are affordable housing projects and licensed daycare projects.*

*The MGF has not received a lot of applications for BND interest buy-downs in the past. This is likely to change because of the new program provisions established in the last legislation session and because businesses seeking assistance had, in many cases, instead opted to apply for property tax exemption on a new or expanded property. The BND Flex PACE program is commonly used in many other North Dakota cities.*

*Previously approvals of interest buy-downs for Mandan projects had allowed for the local match to be provided as a grant. Information received through the Economic Development Association of North Dakota indicates that increasingly cities are requiring repayment of the local match after the term of the interest buy-down is*

*complete. A 0% interest rate for the repayment of the local match is most common, but*

*some cities do still provide the local match as a grant and others loan the funds at a higher interest rate such as 1-2%. The MGF recommends that a 0% interest loan be generally considered for the local match for priority projects in the areas of primary sector businesses, retail, child care and affordable housing.*

*Behm-Caldwell and Erickson asked that the portion of the draft guidelines explaining the amount of Flex PACE funds and the local share be clarified to indicate the total amount of buy-down available. Erickson asked if there would be collateral if repayment were required. Ekstrom explained that it would be a third position on a mortgage. The City and Mandan Growth Fund Committee could work with the Lewis and Clark Regional Development Council for loan repayments. Typically, the LCRDC would look for a split on any interest, but if zero percent interest, there would be no fee. This could be handled on a case by case basis with a simple contract.*

*Erickson moved to recommend approval of the policy to the City Commission, retaining within the guidelines the option of other terms depending upon the public benefit of the project. Rick Horn seconded the motion. Motion passed unanimously.*

4. Other Business

5. Adjourn

*Erickson moved the meeting adjourn. Mark Weide seconded. Motion carried.*

*Meeting adjourned at approximately 12:35 p.m.*