

Mandan Growth Fund
August 28, 2014
Mandan City Hall
205 Second Avenue NW
Former Morton County Library Room

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, 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
 Nathan Schneider

Lewis & Clark Regional Development Council
 Brent Ekstrom

1. Introductions

Chairman Tim Spilman called the meeting to order at 12:00 p.m. Those members indicated with were in attendance. Eve Kostelecky-Albrecht attended as a retail and restaurant incentive program applicant, and Jon and Amber Larson attended as storefront improvement program applicants. Krista Harju, program coordinator for City Administration and Business Development/Communications was also in attendance.

2. Consider the following minutes:

a) July 10, 2014

Jeff Erickson moved to approve the minutes. Rick Horn seconded. Motion passed unanimously.

3. Consider Retail and Restaurant Incentive Application by Brea for expansion of retail operations at 306 W. Main Street.

Ellen Huber introduced Kostelecky-Albrecht and provided a general overview the Brea expansion project.

Eve Kostelecky-Albrecht has been operating Brea Boutique, a women's clothing boutique at 906 Second Street NW since the spring of 2012. She attended the July Growth Fund Meeting to discuss an application for a storefront improvement project for 306 W. Main Street. Kostelecky-Albrecht is applying for the expansion of square footage from their existing location to the new location.

Brea previously received a retail and restaurant incentive for 1,650 square feet at its first location. The new location is 3,250 square feet per floor. The upstairs will serve as the retail store floor. The difference between those two numbers is 1,600 square feet, which is the expansion space eligible for the program.

Kostelecky-Albrecht is seeking up to the maximum of \$5 per square foot stipend. Any amount awarded would be prorated across the first 12

months of operation. The first payment wouldn't be due until after the business has been in operation for a month, and then paid out in 12 monthly payments over the course of the first year. They're intending to invest approximately \$230,000 of their own money. They purchased the building personally and are putting about \$65,000 of their own money into building rehabilitation, plus up to \$25,000 in storefront match that was approved previously. Building improvements are the primary costs listed on the application. Additional costs include additional inventory and equipment for the building.

She plans to open the new location by mid-September. The business is currently open on Thursdays and Saturdays. The new location will also be open on Fridays, and will operate 25 hours per week. She also plans to schedule special private event showings for people who want a more personal shopping experience. The business employs one and a half full-time employees and five part-time employees. Kostelecky-Albrecht anticipates the expansion will add two full-time employees and will also allow her to expand her product line, which may include more children's clothing. The expected daily traffic is about 30 customers per day.

Huber provided copies of a community profile and pointed out 2014 statistics, which show a \$24 million gap between the supply of clothing in Morton County and the demand. She noted that Wal-Mart's impact may not yet be reflected in the number, but a gap still exists.

Erickson moved to enter into an executive session to review financial information submitted by Brea. Bauer seconded. Motion passed unanimously.

The executive session began at 12:12 p.m.

Behm-Caldwell moved to exit executive session. Horn seconded. Motion passed unanimously.

The committee reconvened in open session at 12:20 p.m.

The committee rated the application, with a result of 3.78 on a scale of 1 to 5. The rating allows for \$3.75 per square foot across 1,600 square feet, for a total stipend of \$6,000 or \$500/month across the first 12 months of operations.

Boehm moved to go forth with a recommendation of approval to City Commission pursuant to the rating. Erickson seconded. Motion passed unanimously.

4. Consider Storefront Improvement Application by Larson's Creative Concepts for 216 W Main St

Huber provided an overview of the storefront improvement application from Jon and Amber Larson. The Larsons have been operating Larson's Creative Concepts, a tattoo and airbrush business, from their home. They are planning to expand the tattoo business

to 216 West Main Street. The expansion will allow for the hiring of two new employees and will also enable them to provide piercing. Airbrushing will still be performed in the shop at their current location. They are planning to complete an approximate \$27,000 exterior renovation of the building. The projected date of completion is Dec. 1, 2014. The application went before the Architectural Review Commission on Tuesday, Aug. 26 and received approval. The Larsons aren't asking for the maximum match at this point.

Jon and Amber Larson explained the plans for renovation. The renovation will include new signage, a corrugated steel awning, gooseneck lights, new siding and powder-coated red trim around the windows and doors. They are also doing several interior renovations, but did not apply for the Renaissance Zone Program. They plan to improve the alley side of the building at a later date.

Huber reminded the committee that overall projects and uses are to be consistent with the City of Mandan's Downtown Redevelopment Plan that was adopted from 2003. If it was a new tattoo shop going into the downtown area, it would be inconsistent with that plan. Since it is an expansion of an existing business, it could be approved. She said the situation parallels a pawn shop expansion that received approval as a Renaissance Zone and Storefront Improvement Project. Larson's Creative Concepts has been operating in Mandan for eight years.

The Larsons received two sign estimates, one from Fetzer Built totaling \$10,584 and another from Mann Signs totaling \$13,750. Jon said he preferred the quality of the sign from Fetzer Built.

Bauer moved to recommend approval of the Storefront Improvement application and the forgivable loan amount request of \$13,533 to the City Commission. Behm-Caldwell seconded. Motion passed unanimously.

5. Consider creation of a Memorial Highway Storefront and Landscape Improvement Program
 - a) Boundaries
 - b) Match amount - \$10,000 or more
 - c) Designated amount for program (as funds available in Growth Fund or a \$200,000 budget)
 - d) Other variables and criteria

Huber provided background information on the proposed Memorial Highway Storefront and Landscape Improvement Program. The Mandan Tomorrow Leadership, Pride and Image Committee attempted to seek private funds through the Bush Foundation Community Innovation Grant Program earlier this year to fund the program, but was denied due a large number of more altruistic applications. The committee doesn't believe reapplication would have different results. Since the Leadership, Pride and Image Committee submitted the Bush Foundation Grant, Huber has received calls from a few property owners expressing interest. The Community Beautification Committee passed a

motion of support for the program in July. The Mandan Architectural Review Commission also passed a motion of support. The Leadership, Pride and Image brought it to the Growth Fund to consider program specifics, authorization for funding and possible recommendation to the City Commission.

Huber explained that the proposed Memorial Highway Program is similar to Downtown Storefront Improvement Program, but there are some differences. One difference is the new program would encourage landscaping. Prior to the implementation of the Memorial Highway and Gateway Overlay District for approval of new commercial sites, buildings and remodels, there were no standards that required any minimum amount of greenery. As the LPI committee discussed the concept for Memorial Highway, it was one aspect they wanted to encourage. The program would allow for existing properties to seek funding assistance for landscaping costs. Reimbursement for landscaping would be 50 percent after landscaping was completed. Full reimbursement would be granted after landscaping is in place and properly maintained for three years. The Community Beautification Committee is currently discussing a minimum landscaping ordinance for the City.

The proposed boundaries include Memorial Highway, as well as highly trafficked commercial areas, including avenues and streets that stem off of Memorial Highway. Huber stated the boundaries are up for consideration from the committee. Behm-Caldwell questioned including Twin City Drive. Erickson recommended including areas on the other side of the railroad tracks. The committee agreed to include 46th Avenue SE north of 21st Street SE, 40th Avenue SE north of 19th Street SE and Memorial Highway in the program.

Huber also indicated other variables that were up for discussion, such as the amount of monetary match. She introduced a \$10,000 match for discussion purposes. Huber pointed out the downtown amount had been raised to \$30,000 and mentioned the increase was in direct response to remaining competitive to funding available in Bismarck's downtown area. Huber said she is unaware of a Bismarck storefront or landscape program that extends outside of its downtown area, so Mandan wouldn't have to compete on funding. She provided several examples of similar landscaping programs offered in other communities. Behm-Caldwell suggested a \$10,000 match was not enough in the current economy.

Other points of discussion included the Memorial Highway reconstruction project and the impact it could have on the improvements. Huber said the reconstruction project will not likely begin until 2019 at the soonest, and it was a question of if the City should wait to create the program or start it now. Huber explained that the reconstruction is to occur within the existing public right of way.

Boehm moved to set up a Memorial Highway Storefront and Landscape Improvement Program for up to a 50 percent match with a maximum contribution of \$30,000 for a corridor that includes Memorial Highway, 46th Avenue SE north

of 21st Street SE and 40th Avenue SE north of 19th Street SE. Bauer seconded. Motion passed unanimously.

Bauer moved to cap the program at \$200,000 to be re-evaluated annually. Horn seconded. Motion passed unanimously.

6. Other Business

7. Adjourn

There being no further business, the meeting adjourned.