

Growth Fund Members:

Chairman,

Mark Weide

Vice Chairman,

Don Boehm

Dan Anderson

Jeremy Bauer

Jeff Erickson

Rick Horn

David Lehman

Curtis Patzell

Lee Weisbeck

Liaisons:

Mayor, City of Mandan

Tim Helbling

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

Mandan Growth Fund

Thursday, July 14, 2016

Noon

Veterans' Conference Room

Mandan City Hall

205 Second Avenue NW

MINUTES

1. Introductions

Chairman Mark Weide called the meeting to order. Members present are indicated with a . Also in attendance were City of Mandan Program Coordinator Krista Harju and Storefront Improvement Program applicants Brandon Brandt and Holly Campbell, H B Properties.

2. Consider for approval the following minutes:

a) May 26, 2016

Rick Horn moved to approve the minutes from May 26, 2016. Dave Lehman seconded. The motion passed unanimously.

Old Business

3. Review conditions and application process for Restaurant Rewards Program

The committee reviewed language that had been flagged as pending in the Restaurant Rewards Program description. Specifically, the third item under Conditions:

Pending further discussion — First-time restaurant operators or applicants that have been in business for less than one year must submit application to the local N.D. Small Business Development Center office and after start-up participate in quarterly consultations with the SBDC or another approved business consultant.

The committee determined that this requirement is not needed given that the Restaurant Rewards Program components are low risk, so the MGF Committee does not need to be highly involved in assessing an applicant's probability for success. This is because 1) the sales tax rebate is performance-based, meaning there's no reward unless there are sales; and 2) the interest buy-down component requires approval of the base loan by a lead commercial lender and the Bank of North Dakota.

The committee reviewed additional proposed changes in verbiage to put

the program description in present tense as was approved, instead of future tense or a hypothetical context as it was proposed.

Jeff Erickson moved to recommend approval of the changes to the Restaurant Rewards Program Overview to the City Commission. Curtis Patzell seconded. The motion passed unanimously.

New Business

4. Consider Storefront Improvement Application for 122 E Main St. by HB Properties
Ellen Huber provided an overview on the application. The estimated cost of the proposed storefront improvement project is \$82,920. The application is for the maximum \$30,000 in matching funds. There were a few changes from the initial application, which indicated a façade renovation of \$78,030. The building is also eligible for Renaissance Zone, but they are not at a level of investment to qualify for both programs.

The Mandan Architectural Review Commission (MARC) approved the project at its July 12 meeting. There is a landscaping wall proposed on the south side of the property along its west edge. The exact concept has yet to be chosen, but MARC is in support of any of the concepts that were proposed. The placement of the pole sign and rock will need further review to ensure they do not intrude on the sight triangle as per the sign policy.

The application outlines plans to replace all windows in the building including two openings presently boarded up on the building's north side; adding stucco to the exterior in a tan color and brick about 3 feet high around the building's base. Garage doors will be painted tan. A landscaping wall and planter will extend from the building's west wall to the sidewalk, eventually to feature vines once growth is established, but initially hanging plants. A pole sign for Dakota Crop Insurance is planned for the corner of the lot at Main Street and First Avenue NE to include a landscaped area at its base with a rock between the sign poles for the business Rocks That Talk. (Note: The building is within a downtown area where construction is allowed lot line to lot line.)

To help assure that all signs of blight are addressed on the site, the applicant is also going to improve a portion of the lot on the north side of the parcel that is currently graveled. The plan is to install a cedar screening fence immediately behind the building (for the storage of boulders for the rock engraving business) and hard surfacing the remainder of the area for overflow parking. The owners may add on to the building's north side shop area in the future. A cost estimate for installing a cedar fence on part of the property is \$4,890. Hard surfacing is not an eligible component of the Storefront Improvement project. The cost came in at just over \$5,000.

The applicant is planning additional investment in interior building renovation and other project components not eligible for the Storefront Improvement program such as new concrete and the hard surfacing of the non-fenced portion of the gravel lot. These costs will likely exceed \$20,000.

Dakota Crop Insurance and Rocks that Talk will be housed out of the building.

Improvements are expected to begin at the end of July and to be completed by November 2016.

Per local ordinance, an automatic door is required on at least one entrance to the building. A business incentive agreement is also required for projects exceeding \$25,000 in assistance.

All funds previously earmarked within the Mandan Growth Fund for the Downtown Storefront Improvement program are expended and committed. Funding for this application would need to come from unallocated funds for economic development projects as a whole. This balance stands at \$122,718.

Jeff Erickson move to recommend the application as presented with \$30,000 matching funds in the form of a forgivable loan. Jeremy Bauer seconded. Motion passed unanimously. The committee's recommendation will be presented to the City Commission at its July 19 meeting.

Other Business

Mayor Helbling has assumed the Business Development Portfolio. He will be joining the Growth Fund Committee at future meetings.

A Restaurant Rewards postcard has been sent out to potential restaurant owners and prospects. Additional postcards are available to provide to future prospects.

There has been discussion at the City Commission level about whether or not to continue the property tax exemption for new homes. The mayor indicated he would like to review all incentive programs before making any determinations. When the property tax exemption on the first \$75,000 in home value was first offered in 1992, the average price of a home was \$60,000. Now, the average home is selling for around \$200,000. There is concern as to whether or not the exemption is enough to impact the decision on where and when to purchase a home.

Huber asked the committee if they wanted any specific items considered in the review of incentive items. She felt it was best discussed at a Growth Fund Committee meeting with the Mayor and City Commissioners present.

Jim recommended a joint meeting of the Growth Fund and Renaissance Zone committees. Huber will provide the tracking sheets so committee members can see the number of projects receiving incentives; the difference between the actual cost of projects versus estimated costs; jobs verification reports; and increased valuations. If the committee members have suggestions on other items that would be helpful to include, Huber will include it among the items to be presented.

The committee agreed to meet to review existing incentive programs.

Huber submitted the Growth Fund Committee's request for a total of \$350,000 in funding when she submitted the budget request for the Business Development and Communications Department. She expects to hear a response in late July or August once the request is considered by the Budget and Finance Committee. Neubauer noted that due to the limitation of state aid, the funds may not be available for the requested increase. About 35 percent of the city's general fund comes from state aid.

There have been many inquiries into the Restaurant Rewards program. Interest remains high in the program.

5. Adjourn

Boehm moved to adjourn the meeting. Erickson seconded. The motion passed unanimously.