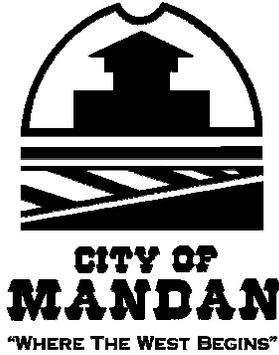


AGENDA
MANDAN CITY COMMISSION
SPECIAL MEETING
MARCH 15, 2012
ED "BOSH" FROELICH MEETING ROOM
1:30 P.M.
www.cityofmandan.com

-
- A. ROLL CALL:
1. Roll call of all City Commissioners
- B. OLD BUSINESS:
1. Consider award of bids for flood removal projects including, Hesco & various earthen levees, Bridgeview Bay, Marina Bay, Borden Harbor and Lakewood Harbor
- C. NEW BUSINESS:
1. Overview of Request for Proposals for development of land parcels located near I-94 & evaluation criteria
 2. Presentations and interviews by interested developers
 - a) 1:35 - Annabelle Homes (Tom Bakritges)
 - b) 1:55 - Link's True Value Hardware (Matt Appleby)
 - c) 2:15 - RiverWest Development (Kathy Spilman)
 - d) 2:35 - Don McGuire & John Schultz
 - 2:55 – Break (if needed)
 3. Discussion and consideration of any action(s)
 4. Consider Energy Infrastructure and Impact Office Flood-Impacted Political Subdivision Infrastructure Grants
- D. OTHER BUSINESS:
- E. FUTURE MEETING DATES FOR BOARD OF CITY COMMISSIONERS:
1. March 20, 2012
 2. March 27, 2012, Working Session
 3. April 3, 2012
 4. April 17, 2012
- F. ADJOURN



Board of City Commissioners

Agenda Documentation

MEETING DATE: March 15, 2012
PREPARATION DATE: March 12, 2012
SUBMITTING DEPARTMENT: Administration
DEPARTMENT DIRECTOR: Jim Neubauer, City Administrator
PRESENTER: Jim Neubauer, City Administrator
SUBJECT: Award of Bids, Flood Removal Projects

STATEMENT/PURPOSE: To consider awarding bids received related to flood removal materials.

BACKGROUND/ALTERNATIVES: Bids have been received for various flood removal projects and the apparent low bidders are summarized as follows:

<u>Project</u>	<u>Apparent Low Bidder</u>	<u>Amount</u>
Bid Package #8, Marina Bay Clay Plug Removal	H & S Contracting, Moorhead MN	\$414,920.00
Bid Package #9, Borden Harbor Clay Plug Removal	Rachel Contracting, St. Michael MN	\$153,338.00
Bid Package #10, Lakewood Harbor Clay Plug Removal	Tom's Backhoe Service, Brainerd MN	\$166,500.00
Bid Package #11, Bridgeview Bay Clay Plug Removal	Park Construction, Hampton, MN	\$321,177.50
	Or Rachel Contracting, MN	\$363,363.00
Bid Package #12, Earth Levee, Hescos, Sandbag removal etc.	Park Construction, Minneapolis MN	\$354,970.00
Total		\$1,410,905.50
Local Share 3%		\$42,327.00
Depending upon Bid Package #11		\$1,453,091.00 \$43,592.73

ATTACHMENTS: Engineer's Recommendation and bid tabulations

FISCAL IMPACT: see above table

STAFF IMPACT:

LEGAL REVIEW:

RECOMMENDATION: I recommend awarding to the apparent low bidder on each of the aforementioned projects, ~~pending a decision on bid package #11 and its bid irregularity.~~

SUGGESTED MOTION: I move to award bids to the apparent low bidders on each of the aforementioned projects, ~~pending a decision on bid package #11 and its bid irregularity.~~

Bid Package #8, Marina Bay Clay Plug Removal, H & S Contracting, Moorhead MN, \$414,920.00

Bid Package #9, Borden Harbor Clay Plug Removal, Rachel Contracting, St. Michael MN, \$153,338.00

Bid Package #10, Lakewood Harbor Clay Plug Removal, Tom's Backhoe Service, Brainerd MN \$166,500.00

Bid Package #11, Bridgeview Bay Clay Plug Removal, Park Construction, Hampton, MN, \$321,177.50

~~Or Rachel Contracting, MN, \$363,363.00~~

Bid Package #12, Earth Levee, Hescos, Sandbag removal etc., Park Construction, Minneapolis, MN, \$354,970.00

**Summary of Proposals Received
for Development of Land Parcels Located Near I-94, Exit 152
03/06/12**



Parcel 2
18.22 acres
(793,607 sf)
Special
assessment
balance -
\$429,776.02

Parcel 1
3.10 acres
(135,022 sf)
Special
assessment
balance - \$0

	Annabelle Homes	Link Golz Link's Hardware	River West Development/ Keitu Engineering	Don McGuire & John Schulz
Parcels of interest	All – 21.32 acres	40,000 sf of Parcel 1 (totals 3.10 acres or 135,022 sf) <ul style="list-style-type: none"> • Preference for SE corner 	Parcel 1 – 3.10 acres	Parcel 2 (about 9.9 acres of 18.22 acres total) <ul style="list-style-type: none"> • About 5.8 acres or 252,000 sf of parcel 2 • 1-yr option to buy on 4.1 acres or 180,000 sf
Project Description	PHASE I <ul style="list-style-type: none"> • Hotel – 80 rooms • Townhomes - 48 PHASE II <ul style="list-style-type: none"> • Convenience store/gas • Retail/office –2-story, 2 X 15,000 sf PHASE III <ul style="list-style-type: none"> • Retail/restaurants – 2-story, 30,000 sf • Single family – 13 • Park 	11,420 sf True Value hardware store	Mixed use commercial office & restaurant development <ul style="list-style-type: none"> • 5 single story buildings each =/ <5,000 sf • 1 building approx.. 2,500 sf • Water garden 	Tract I <ul style="list-style-type: none"> • Hotel – pending results of feasibility study (70-96 units, Microtel franchise) • Restaurant Tract II <ul style="list-style-type: none"> • Office space & retail strip mall <i>All pending feasibility study & consumer needs</i>
Proposed purchase price	\$1	\$1 psf = \$40,000	\$270,000 (approx. \$2 psf)	Tract I - \$0.347 psf = \$87,444 Tract II - \$0.75 psf = \$135,000 dependent upon infrastructure costs & special assessments (\$ for \$ reduction in selling price)
Construction value	\$31.4 million	\$1,384,000	\$2.8 million	Hotel - \$5 million
Incentives requested	<ul style="list-style-type: none"> • Waiver of property taxes until units sold • Absorb \$429,776 in special assessments or allow credit for additional infrastructure 	Note: 0 specials on parcel 1 5-year property tax exemption	Note: 0 specials on parcel 1 No incentives requested	<ul style="list-style-type: none"> • Forgive special assessments for 1.33 acres - \$31,372.23 • Hotel – full 5-yr exemption • Possibly other property tax exemptions
Timeline	2012 – site prep 2013-14 – Phase I 2014 – Phase II 2014-15 – Phase III	2012 construction	2013 – 1 st bldg. done 2014 – 2 nd bldg. done Others once at least 50% of prior bldg. leased	<ul style="list-style-type: none"> • Hotel – complete spring 2013
Proof of financing	To be self-financed	Seeking SBA loan & bank financing		
Qualifications	Similar projects in other ND communities	25 yrs retail hardware experience, 15 yrs as owner in Ashley	Engineering experience, first real estate development project	Experience in project planning & development, engineering & construction management of similar projects
Benefits	Property taxes – \$194,044 residential \$352,625 commercial + land value increase Sales taxes - \$132,000	Property taxes - \$27,888 Sales tax - \$10,000	Property taxes – \$56,420 on bldgs. + land value increase Possible restaurant tax	Property taxes - \$100,750+ \$44,500 lodging tax (3% gross receipts) Possible restaurant tax
Other	Townhomes \$135,000+ Single family homes - \$190,000+ Commercial lease rate of \$14-\$24		<ul style="list-style-type: none"> • \$10,000 per bldg. penalty per year gap, max. \$100,000 • Projected lease rate of \$12-\$14 psf 	Pending zone change, metes & bounds survey, soil tests, permits



FACTORS TO CONSIDER IN EVALUATING PROPOSALS FOR DEVELOPMENT OF LAND PARCELS NEAR I-94

Note: The Planning and Zoning Commission approved a requested zone change for Parcel 2 from R7(Single Family Residential)and R3.2 (Two-Family Residential) to CB Restricted (no retail Group B such as auto/truck sales, farm implement dealership or farm supply store). The public hearing and first consideration of the ordinance change is slated for the City Commission meeting on March 20 with the second and final reading scheduled for April 3.

	Annabelle Homes (All parcels)	Link's Hardware (part of parcel 1)	RiverWest Development (Parcel 1)	McGuire & Schultz (Part of Parcel 2)
1. Consistency with City vision <i>comprehensive, preferred uses</i>				
2. Extent to which proposal fills market gaps or meets needs?				
3. Experience & organizational capacity				
4. Financial capacity (<i>Note: May request additional info such as financial statements, tax returns, etc.</i>)				
5. Proposed purchase price <i>Significant vs. minimal</i>				
6. Incentives requested <i>Minimal vs. significant</i>				
7. Construction value/investment in project <i>Significant vs. minimal</i>				
8. Contribution to tax base <i>Significant vs. minimal</i>				
9. Jobs creation <i>Significant vs. minimal</i>				
10. Site plans & architectural character (overall quality)				
11. Timeline <i>Immediate vs. gradual</i>				
12. Other				



REQUEST FOR PROPOSALS:
For Development of Land Parcels Located Near I-94, Exit 152
Mandan, North Dakota

Submission Deadline: February 17, 2012 by 3 p.m. CST



Issued Jan. 3, 2012
City of Mandan
205 Second Avenue NW
Mandan, North Dakota 58554
Phone: 701-667-3215
www.cityofmandan.com

Introduction & Background

The City of Mandan is seeking written proposals for commercial or mixed commercial/residential development on two parcels of property in northwest Mandan. The City is interested in proposals that provide retail and services for the community's residents, businesses and visitors; that increase the city's commercial tax base; and that offer employment opportunities for area residents. The City has identified the site as a prime location for a hotel. The City will consider proposals for uses other than the preferred uses.

The properties are owned by the City of Mandan and located along Sunset Drive, north of I-94, Exit 152. The parcels total 21.32 acres (split by 27th Street). The sites have not been previously developed. As of Jan. 12, 2012, a Walmart spokesperson confirmed plans for supercenter in close proximity to the property, at the intersection of Old Red Trail and Sunset Drive.

The proposed purchase price will be one of multiple criteria for evaluating proposals. Other important criteria include intended uses, immediacy of the development schedule, amount of investment, developer experience and relationships with potential retail, restaurant and hospitality users.

Proposals are due Feb. 17, 2012. Once proposals are received and verified as complete, the City Commission will invite entities submitting proposals to present concepts and participate in an interview at a regular or special meeting.

If you have any questions or desire further information, please contact City of Mandan Business Development and Communications Director Ellen Huber at 701-667-3485 or ehuber@cityofmandan.com. More information about the community is also available at www.cityofmandan.com.

This property information document summarizes many additional project considerations and requirements:

<u>Section</u>	<u>Page</u>
Community Vision	3
Project Considerations	
• Location Overview.....	3
• Site Facts	4
○ Addresses & Legal Description	
○ Site Control	
○ Property Taxes	
○ Special Assessments	
○ Zoning	
○ Utilities	
○ Soil Conditions	
• Proposal Requirements.....	5
• Developer Selection Process.....	5-6
• Contact Information & Resources.....	6

A complete copy of all property information, including supporting documentation and maps, is available on the City of Mandan website at www.cityofmandan.com.

COMMUNITY VISION

The Mandan Tomorrow 2009 strategic plan offers the following vision for Mandan:

Mandan is a vibrant, growing community known for its pioneering spirit and leadership in blazing the way to a welcoming, supportive and affordable hometown atmosphere and quality education system for families and residents of all ages; an environment for business innovation and success; and a historic, adventurous and exciting destination for visitors. Together we make it happen!

The City of Mandan is seeking purchase and development proposals for the I-94 corridor parcels that are consistent with community goals. In particular, the City aims to fill gaps in its retail, restaurant and hospitality offerings for the region. Market analysis data is posted on the city's website in the Business Development section under the Community Profile subsection.

More information is available at the city website: www.cityofmandan.com.

PROJECT CONSIDERATIONS

Location Overview

The available parcels are located west of the new Mandan Middle School. Constructed in 2008, the facility's enrollment for 2011-12 is 781 students in sixth through eighth grades. Most students are bused to the school or transported by parents. Parents, faculty and staff are among potential customers for nearby retail and services. With two gyms, a cafetorium, football field, track, and tennis courts, the school attracts visitors for many activities and competitions.

The parcels are located just off I-94 and Old Red Trail, which draws traffic to nearby major industrial park employers including National Information Solutions Cooperative (approximately 404 employees) and Cloverdale Foods Company (approximately 250 employees). Residents of developments to the north also pass through this area in route to other parts of the community.

Nearby businesses include Seven Seas Inn and Waterpark, Ridge Motel, Red Trail Petro, Farm Credit Services, USDA Farm Service Agency, an insurance agency, and two engineering firms. HIT, Inc. has a nearby facility for head-injured patients and is constructing a new 45,000 sf building where 90 to 100 staff will provide services for another 115 to 120 individuals. Businesses just south of the interstate include Medcenter One Living Center and Family Clinic, Kindred Hospital, Sunset Tesoro, Hideaway Lounge, and Fried's Family Restaurant.

The Mandan Senior High School, Brave and Aquatic Center, and All Seasons Arena are located about a half-mile south of I-94, off Sunset Drive and Sixth Avenue NW. These facilities are also a hub of activity. Senior high students may go off campus for lunch. The high school gym, pool and ice arena host many week night and weekend games, meets and tournaments that attract visitors from throughout the region.

The most recent average daily traffic counts available are from a 2009 N.D. Department of Transportation tracking. Traffic on I-94 averaged 15,330 east of Exit 152 and 10,700 to the west. Average daily traffic at the intersection of Old Red Trail and Sunset Drive is 8,775 to the west and 8,170 to the south. Traffic activity has escalated considerably in recent years with increased population, business growth and oil and energy industry activity in the trade region.

Site Facts

Addresses & Legal Descriptions

1. 1403 27th Street NW
 - Lot 1, Block 1, Addition 0264, School District #5
 - 3.10 acres (135,022 sf)

This parcel is located in the southwest quadrant of the intersection of Sunset Drive and 27th Street NW.

2. City Parcel 2698AA
 - Part of the SE4-Vac Pt of TV 3 & 4 ADD; (less part of Auditor's Lot G), located in the W1/2 SW1/4 SE1/4.
 - 18.22 acres (793,607 sf)

This parcel is located in the northwest quadrant of Sunset Drive and 27th Street NW, just across the street from the Mandan Middle School.

Site control

The City of Mandan owns the parcels. In order to facilitate a larger-scale development, the developer may identify and propose strategic partnerships with adjacent, private property owners.

Property Taxes

The consolidated tax levy for property located in the City of Mandan is 403 mills for 2011, 2.02% of value for commercial property and 1.81% of value for residential property.

Special Assessments

Payoff balances figured to 11/08/11

- 1403 27th Street NW · \$0
- City Parcel 2698AA · payoff of \$429,776.02; annual payment of \$65,767.75

Zoning

- 1403 27th Street NW · CB, commercial permitting a variety of commercial, retail and multi-family residential uses.
- City Parcel 2698AA · R7, single family residential.

A zone change requires an application, public notice and review and approval by the Planning and Zoning Commission and the City Commission. The City will assist with a zone change as appropriate to accommodate the selected development proposal.

Commercial site plans and building designs subject to application for consideration by Mandan Architectural Review Commission.

Utilities

Site maps with locations for sewer and water service lines and mains are available for reference.

Soil conditions

Soil testing would need to be conducted. Test results from the middle school site are available upon request.

PROPOSAL REQUIREMENTS

- 1) Within 45 days of the issuance of this request, or by February 17, 2012, interested parties should provide the following information:
 - a. Proposed purchase price, including terms, conditions and preferred closing date.
 - b. Intended use of the property. Describe nature of uses and the target rent/sale price for any commercial, multi-family and residential units.
 - c. Site plan and, if feasible, elevation drawings or examples of proposed facilities and structures.
 - d. Development budget to include the construction cost estimate and detailed sources and uses of funds for the project. For uses of funds, itemize the projected costs of the project including site acquisition, hard and soft construction costs, any tenant improvements, and any other project costs. For sources of funds, indicate the type of financing planned . e.g. debt, equity, other . and describe the status of securing those funds. If available, include of a letter of interest to provide financing from a lender if debt financing is proposed.
 - e. Any public financial assistance requested, particularly any from the City. Write-downs of the land acquisition price below fair market value will be considered City financial assistance and will require a business incentive agreement.
 - f. Construction schedule, which indicates development will commence within 12 months from closing (city may require some form of security to enforce this portion of the agreement) and an achievable date for substantial completion.
 - g. Statement of developer qualifications and summary of previous experience with projects of a similar magnitude.
 - h. Summary of benefits to the local economy including estimated tax impact (property, sales, restaurant and lodging).

DEVELOPER SELECTION PROCESS

1. Responses are requested in PDF format and e-mailed to Jim Neubauer, City Administrator, City of Mandan, at jneubauer@cityofmandan.com. Any material that needs to be provided in hard copy may be sent or delivered to City Hall at 205 2nd Avenue NW, Mandan, ND 58554. Complete proposals must be e-mailed, mailed or delivered for receipt by 3 p.m. on Feb. 17, 2012.
2. The Mandan City Commission will make the final selection based upon the following criteria:
 - a. Consistency with the City's vision and the extent to which the proposal will fill opportunity gaps and meet market needs.
 - b. The experience, financial and organizational capacity of the developer in successfully planning and completing development projects of similar type and scale.
 - c. Public benefits provided by the project including the proposed purchase price for the land, the amount of investment in the project(s), the provision of retail goods and services, contributions to the tax base, and the creation and retention of jobs.
 - d. Estimated taxable value upon completion and annual real estate taxes of the site.
 - e. Architectural character and quality of building materials.
 - f. Timeline for project completion.

The City and the selected developer will subsequently execute an agreement conveying the property and stipulating the terms and conditions of the project. The agreement will be negotiated within 45 days of selection.

Following is an anticipated timeline:

*Submission deadline for proposals	Feb. 17, 2012
Review/evaluation of proposals completed	March 1, 2012
Recommendation to City Commission on selected developer(s)	March 6, 2012
Final action by City Commission	March 20, 2012

The City reserves the right to: 1) reject any and all proposals or parts of proposals, 2) waive any informality or irregularity, 3) hold all proposals for a period of thirty (30) days after the date fixed for the opening thereof, 4) negotiate modifications of proposals submitted into a project of lesser or greater magnitude than described in the request for proposals or the proposer's reply, 5) accept the proposal(s) deemed most favorable to the best interest of the City of Mandan, and 6) advertise for new proposals as may be deemed necessary. Be advised as per North Dakota open records law that proposals may be released to the public if requested.

Resource Contact Information

Title	Name	Phone
City Staff		
City Administrator	Jim Neubauer	701-667-3215
Business Development Director	Ellen Huber	701-667-3485
Engineering and Planning -Project Director	Dave Bechtel	701-667-3225
Building Inspection and Assessing	Richard Barta	701-667-3230
Finance Director	Greg Welch	701-667-3213
Public Works	Jeff Wright	701-667-3240
Fire Chief	Steve Nardello	701-667-3288
Advisors/Consultants		
Economic Development	Bismarck-Mandan Development Association Richard Mower	701-222-5530

For additional information, visit www.cityofmandan.com. If you have other questions not answered here, please contact Ellen Huber, City of Mandan Business Development & Communications Director at 701-667-3485 or ehuber@cityofmandan.com.

17 February 2012



**CITY OF
MANDAN**
"WHERE THE WEST BEGINS"

Development of Land Parcels Located Near I-94, Exit 152

Prepared for:

City of Mandan, ND
205 Second Avenue NW
Mandan, ND 58554

Prepared by:

Annabelle Homes, LLC
Tom Bakritges
Project Manager
612-750-4733



ANNABELLE HOMES

Proposal Response



“Mandan is a vibrant, growing community known for its pioneering spirit and leadership in blazing the way to a welcoming, supportive and affordable hometown atmosphere and quality education system for families and residents of all ages; an environment for business innovation and success; and a historic, adventurous and exciting destination for visitors. Together we make it happen!”

~Mandan Tomorrow 2009 Strategic Plan Vision

A. Proposed Purchase Price

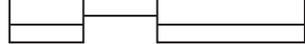
The applicant, Annabelle Homes, LLC, along with its development team, Bundled Builder Solutions, Inc. (BBSI) acting as the contraction arm and Coe & Van Loo (CVL) as the design arm, is proposing to purchase and develop the subject property located near I-94 and Sunset Drive in Mandan, ND. (see map below for site location)

The terms and conditions for this land purchase will be as follows: The purchase price of \$1 will be by cash upon acceptance of the proposal.

Our preferred closing date is April 1, 2012.



0 200' 400' 800'



13 February 2012



CVL
COE & VAN LOO



BUNDLED  BUILDER SOLUTIONS

B. Intended Uses

Taking cues from the City of Mandan's Tomorrow 2009 vision statement, conversations with City staff and criteria detailed in the RFP, our development team has focused attention on revenue and tax generating opportunities that will stimulate community growth. These opportunities will satisfy the needs of the City as well as the local residents, by providing a reliable revenue generating tax base, job creation, desired amenities, housing, and provide infrastructure that will act as a catalyst for future growth.

"Together we make it happen," has become the tag line for the City and residents of Mandan. Our Development Team has defined a site plan that can help accomplish this objective.

Intended Uses

1. Single Family Homes - 13
2. Townhomes - 48
3. Retail including restaurants - 2 story, 30,000 square feet
4. Retail/ Office – 15,000 square feet of retail and a second story office of 15,000 square feet
5. Lodging (Hotel) – 80 rooms with 2 levels
6. Convenience Store and Gas Station
7. Park Open Space



**Single Family Home Example
Built in Stanley, ND**

Targeted Sales Prices

The Development Team is currently working on a similar project for the City of Stanley and we have used this same successful model to assess the targeted sales price for the City of Mandan project. These sales prices include:

- Townhome prices will range from \$135K and up.
- Single family homes will range from \$190K and up.
- Commercial rates for office space will be dependent on leaseholds and other conditions, such as strength of tenant and length of lease, etc. Generally the price ranges in Stanley have been \$14 per square foot to \$24 per square foot. There are numerous variables that can affect the sales prices and lease rates such as options and tenant improvements.



**Townhome Example
Built in Stanley, ND**



**Example Architectural
Elevation**

C. Site Plan



D. Development Budget

The Development Team's intention is to self-fund the entire project. There will be no loans secured, therefore no letter of intent will be required from a financial lender.

We have broken the construction of the project into 3 phases.

- Phase 1 includes the Townhomes and Hotel
- Phase 2 includes the Convenience Store and Retail/Office
- Phase 3 includes Retail, Restaurant, Single Family Homes and Neighborhood Park

Exhibit 1 details estimated construction costs for each of the three proposed Phases.

Exhibit 1

Phase 1 – Townhomes and Hotel		
Quantity	Item	Total
	Infrastructure, site work, paving and utilities	\$3,200,000
48 units	Townhomes	\$7,000,000
80 rooms	Hotel	\$7,200,000
	Subtotal	\$17,400,000

Phase 2 – Convenience Store / Gas Station & Retail w/Office 2nd Story		
Quantity	Item	Total
1 unit	Convenience Store	\$1,300,000
30,000 SF	Retail Ground Floor (15,000 S.F.) & Office Above (15,000 S.F.)	\$4,500,000
	Subtotal	\$5,800,000

Phase 3 – Retail, Restaurant, Single Family Homes and Park		
Quantity	Item	Total
30,000 SF	2 Retail Buildings (15,000 S.F. each)	\$4,500,000
13 units	Single Family Homes	\$3,700,000
1 unit	Neighborhood Park	\$75,000
	Subtotal	\$8,275,000
	Total	\$31,475,000

E. Financial Assistance

We are asking for consideration of two financial items under this proposal:

1. Waiver of property taxes until the commercial and residential units are sold.
2. The city will absorb the \$429,776.02 assessment against the property or negotiate an agreement where Annabelle Homes, LLC is credited against the assessment for their expenditure for site infrastructure.

1. **City of Stanley** – 2 separate sites that include residential, townhomes, mixed use commercial/office, retail, convenience store and gas station.
2. **City of Tioga** - residential, townhomes, commercial, and retail, apartments, mixed use retail/commercial with apartments, hotel, convenience store and gas station.
3. **City of Hazen** - single family residential, townhomes, office/retail and hotel.
4. **City of Beulah** - single family residential, townhomes and mixed use retail/commercial with apartments, senior villas, hotel and a conference center.
5. **City of Tioga** – Recreational Vehicle Park (RV)
6. **Blaisdell, ND** – Recreational Vehicle Park (RV)

Annabelle Homes, LLC also owns property in Kenmare and Columbus, North Dakota. These properties are now in the planning process. Additionally, Annabelle Homes, LLC is working with the Cities of Mohall and Killdeer and negotiating development agreements for future site improvements.

Our Team Commitment

We value your project as much as you do. This is why we will provide your project with a good foundation. Supporting “everything from the ground up” is our Development Team’s primary goal in the design of any project.

Using an integrated approach to design, we are able to maintain adherence to the project schedule, budget, and overall constructability. Coordinating with all stakeholders early in the pre-design phase ensures that your project goals are being met or exceeded. The benefit of this to you is a single point of contact, shorter timeframes for processing work, less confusion, and more effective communication.

Our Development Team brings a diversified technical team of experts and licensed professionals to provide a variety of services including initial feasibility studies, financing, architecture, environmental permitting, engineering/planning design, contract procurement, construction, project management and Real Estate Sales.

Our project commitment is simple; provide exceptional customer service by doing what we say we will do.

Who is the Development Team?

Annabelle Homes, LLC

Annabelle Homes, LLC is a development firm that specializes in design, construction, finance and management of rural community projects. After years in the industry our principals discovered that in the middle of North Dakota were small communities and towns decimated after the last oil bust two decades ago. Communities are reluctant to take on development type projects that can put the City into financial jeopardy. As this current boom takes hold, Cities are not convinced this boom will last. Additionally, City officials can be completely overwhelmed with the magnitude of the pressures created by new and rapid changes in their community. Not only will the boom create opportunities, but with it comes a host of shortcomings exposed by the immediate doubling of a township’s population. Annabelle Homes, LLC has created a way to take this burden off the shoulders of these communities through thoughtful planning, design and construction of new pocket communities.

Listening and responding to the clients needs, Annabelle Homes, LLC is able to work in conjunction with City staff to help breathe life into forgotten projects. For this reason Annabelle Homes, LLC corporate structure is vertically integrated. This includes concept development; product design; our own supply sources; managing and scheduling infrastructure; construction controls; and advertising and promotion. We complete the model with customer sales and financing accompanied by our internal equity.

Realizing that with new growth the need for amenities increases. Our current projects are designed to have the commercial infrastructure completed on the front end of the timetable. Depending on the size of the property and how fast the residence portion of the project will sell, the rest of the infrastructure could be scheduled out to preserve cash flow. Houses are placed on order by customers. Currently there are no houses being constructed on speculation. The townhomes are being constructed in sets. Some of these sets are contracted as corporate housing as either rentals or outright sales. We are also considering the development of apartments.

When we discuss our core values with the Cities, they connect with the vision of “what can be.” We give the community leaders a sense that they can be back in control of their environment and that they will maintain their identity while honoring the past. At Annabelle Homes, LLC we are devoted to exceeding our clients expectations.

Bundled Builder Solutions, Inc.

Bundled Builder Solutions, Inc. (BBSI) is a construction service providing high quality products and services to leading production homebuilders and developers in North America. Installation products and services include all aspects of the home construction and finishing process. BBSI is dedicated to performing every job at the highest standards, achieving excellence in quality, customer service, and affordability by developing and maintaining strong relationships.

Bundled Builder Solutions, Inc. combines all the standard trades into one integrated organization. Instead of working with multiple companies, production builders and developers can contract with BBSI for the entire construction process. Installers complete all aspects of construction and finishing as one team with an emphasis on efficiency and quality. BBSI Superintendents coordinate scheduling, handle any challenges, and complete homes on schedule and within budget.

Bundled Builder Solutions, Inc. takes responsibility from trench to final delivery. An established schedule of deliveries, order of installation, clearly outlined procedures and standards for working in tandem across disciplines along with set measures of quality eliminate the natural conflicts among various installation areas and minimize warranty costs. With one company owning a number of trades, the processes of hiring, training, managing and evaluation are consistent across the entire construction team. Team supervisors meet to pre-plan the construction of every new home design to ensure an integrated project. This single-solution approach maximizes efficiency and creates the opportunity to address any construction challenges before breaking ground, allowing for a set delivery date and square foot price from start to finish and reducing risk for builders. This integration of products and services creates a better, more efficient and cost-effective way of doing business for everyone.

The company’s strategy is founded on developing and maintaining close working relationships with the best of leading residential homebuilders and developers in the industry. In the highly competitive and growing arena of trade services, BBSI provides a number of production and financial advantages to homebuilders that will result in the capture of an ever-increasing share of the market.

Coe & Van Loo

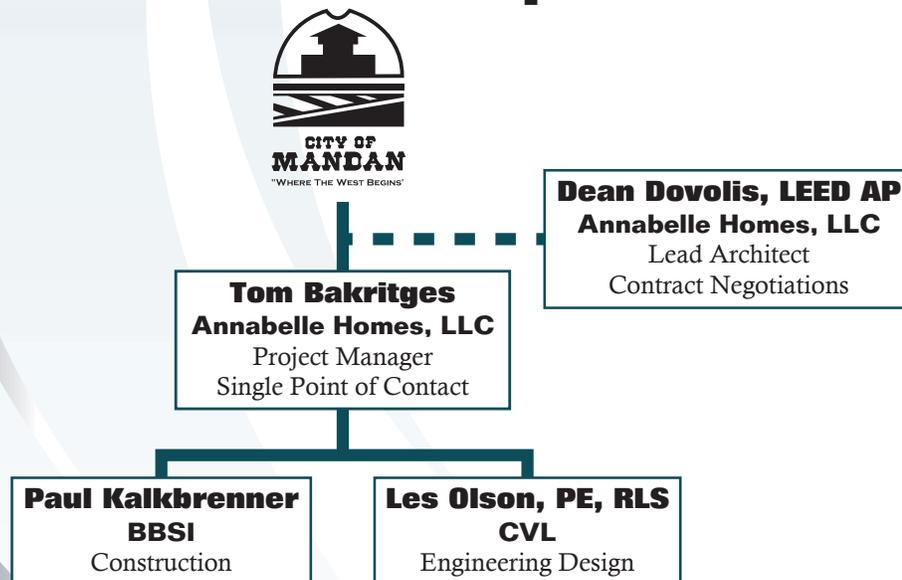
CVL is proud to be one of the West's leading providers of comprehensive civil and municipal engineering services. Established in 1958, CVL is headquartered in Phoenix, AZ and provides professional services throughout North America.

CVL's Phoenix office is home to a staff of approximately 60 professionals and support staff. Our staff includes 13 professional engineers, 10 registered land surveyors, 1 CFedS (certified federal surveyor), 1 LEED AP and 2 landscape architects, for a total of 26 registered professionals.

CVL brings a diversified technical team of experts and licensed professionals to provide a variety of services including:

- civil engineering
- land surveying
- landscape architecture
- water resources
- storm water engineering
- land planning
- construction services
- permitting
- GIS capabilities

Who are the Development Team Members?



Dean J. Dovolis, LEED AP

Annabelle Homes, LLC - Lead Architect
Education

Master of Architecture & Urban Design - Harvard University, 1984

Bachelor of Architecture- University of Minnesota, 1979

Professional Registrations

Registered Architect- Minnesota, Arizona, California, Colorado, Florida, Georgia, Illinois, Iowa, Michigan, Nevada, New Jersey, New York, North Dakota, South Dakota, Texas, Virginia, and Wisconsin.

Professional Affiliations

American Institute of Architects (AIA)

Urban Land Institute

Biography

Dean worked with several firms in the Twin Cities and Boston prior to founding DJR Architecture, Inc, in 1985. Dean's vast range of experience brings diversity of projects and designs to DJR Architecture, including urban design & master planning, residential planning, commercial & retail design, and public project initiatives. He has worked extensively with public agencies, non-profit neighborhood groups, and private developers. His expertise at quickly recognizing significant planning opportunities and helping clients to effectively focus their direction and energy has proven to be an invaluable skill.

Dean Boosalis, CPA (retired)

Annabelle Homes, LLC – Member

Professional Affiliations

Metropolitan Association for Retarded Citizens (MARC)

Past Chairman of the Board of Directors and Audit Committee

Trinity House, Board of Directors

Volunteers of America, Board of Directors, Finance Committee

Frances Melrose Foundation, Treasurer and Board of Directors

DHM Design, Denver Colorado, Board of Directors

Encore Electric, Denver Colorado, Board of Directors

West Fargo Lenders, LLC, President and Board of Governors

Blue Fire Capital, LLC, Board of Governors

Utility Group, LLC, Managing Director

Annabelle Homes, LLC, Member

Biography

Dean Boosalis is a Certified Public Accountant with over 40 years of experience. He is a retired partner from the Denver office of a regional accounting firm with extensive accounting experience serving diverse clients and businesses. He provided a range of services to help clients meet challenges and enhance success in industries such as manufacturing; construction and real estate; and not for profit organizations. He also is familiar with tax, accounting and business matters involving franchisees and ESOP's.

Many of Dean's clients were closely held organizations with challenges in business operations manifested by dynamic growth opportunities; management team building; ownership transition and succession issues; and demands on a limited infrastructure.

He is the recipient of the Colorado Society of CPA's lifetime achievement award for civic activities. In 2005-2006 he received the University of Denver, School of Accountancy Alumnus

of the Year Award. And in 2006 he received the Lifetime Achievement Award from the Association for Retarded Citizens of Colorado.

Tom Bakritges

Annabelle Homes, LLC, Director of Development and Operations

Education

Bachelor of Science Housing (emphasis on Public Policy, Community Development, Urban / Land Planning and Site Design), University of Minnesota, March 1988

Professional Registrations

Member, American Planning Association

Member, Sensible Land Use Coalition

Professional Affiliations

Member and Past President, Rotary Club of Brooklyn Park

Member and Past Board Member, St. Mary's Greek Orthodox Church

Senate District 47 Republican Volunteer Member

Biography

Tom Bakritges began his career in the public sector working for the City of Brooklyn Park, Minnesota, as an Associate Planner and then progressing to Development Coordinator. His responsibilities at the City of Brooklyn included coordinating all aspects of plat and site plan review, from City Council action through construction. Working within the City, afforded him the opportunity to work directly across the table from land developers, builders and council members. This affiliation helped facilitate Tom's ability to negotiate and create positive synergies for all concerned stakeholders.

Taking this knowledge to the private sector proved invaluable knowledge for his role as Land Development Manager at DR Horton Home Builders. His unique City perspective enabled him to quickly move from planning to design and ultimately successful construction of the residential community. Beyond land development Tom developed land acquisition skills that took him to Centex Homes where he was able to help grow Centex to the second largest home builder in the Twin Cities Market.

Tom has now joined the Annabelle Homes, LLC family and now functions as the Director of Development and Operations. His 23 years of experience in homebuilding has proven to be an invaluable asset to the Annabelle team. Tom's responsibility is to bring the City's the quality product they desire, at a reasonable price, with little to no downtime. Servicing the client's needs is Tom's top priority.

Paul Kalkbrenner

Bundled Builder Solutions, Inc., CEO, President

Education

Construction Engineering, Arizona State University, 1970 - 1972

Professional Registrations

Arizona Contractor's License 212101 Class KB-1

North Dakota Contractor's License # is 41055 Class A

Professional Affiliations

Lean Construction Institute of AZ

Biography

Paul Kalkbrenner has over 30 years of leadership experience in the new home construction industry and a demonstrated record of success as an entrepreneur. He currently serves as the President/CEO of Bundled Builder Solutions, Inc. a unique company focused on delivering a turn-key green solution for building and development projects. The BBSI corporation focuses on the coordination of all aspects of the system from “dirt to delivery” i.e. civil engineering, architecture, land development, purchasing, construction, warranty, and maintenance....serving land owners, homebuilders, building owners, and investors.

Formerly, he served as the founder and president of Execution, Inc., a company focused on effective job site organization and communication. Paul was also a partner in Integrated Stucco, LLC with long-time friend and business associate Garth Wieger. Paul grew the company to over \$52 million in sales within the first six months of opening the doors. As personnel increased from 24 to over 700 craftsmen, an offer to purchase the company was accepted and Paul took the position of the Executive Vice President / General Manager for a subsequent 12 month transition period.

Before forming Integrated Stucco, Paul served as the Vice President of Construction for Shea Homes Arizona, one of the largest home builders in Phoenix. He joined Shea in 1992 as a superintendent and moved into the position of Trade and Training Advisor in 1994. He was promoted to Vice President of Construction in 1999. Under his leadership from 1999 through 2004, Shea built over 7,800 homes producing revenues close to \$2 billion. But it was his participation in helping execute the smooth integration process when Shea acquired UDC Homes, a transaction in excess of \$400,000,000 in the late 1990's, which is the capstone of his career at Shea.

Les F. Olson, PE, RLS

Coe & Van Loo, President

Education

Bachelors of Science in Civil Engineering, Arizona State University, 1971

Professional Registrations

Registered Civil Engineer Arizona #13788

Registered Civil Engineer California #C30733

Registered Land Surveyor Arizona #17406

Professional Affiliations

American Council of Engineering Companies

Arizona Professional Land Surveyors

American Society of Civil Engineers

Greater Phoenix Economic Council

Homebuilders Association of Central Arizona

Phoenix Community Alliance

Biography

Les has more than 36 years experience in all facets of civil engineering, including private development, water resources, municipal improvement projects, airport planning and design,

construction specifications and inspection. In addition, he has provided consultant services and design expertise for the petrochemical and marine industries along the Texas Gulf Coast.

The last 25 years of his career have focused in the management of design professionals and direction of their efforts to accomplish the entire scope of services necessary for land development projects, both large and small. During this time, he has participated in various aspects of numerous major projects whose combined size encompasses well in excess of 75,000 acres. In the 1980's, Les was responsible for the design and construction coordination of the 30 mile long Sun Valley Parkway which circles the White Tank Mountains, northwest of Phoenix.

Les is a member of the American Council of Engineering Companies, Arizona Professional Land Surveyors, American Society of Civil Engineers, Greater Phoenix Economic Council and the Phoenix Community Alliance. He currently serves as a member of the Board of Directors of the Homebuilders Association of Central Arizona.

H. Benefits to the Economy

The intent of the Development Team was to devise a site plan that would provide the most benefit to the City, visitors and the residents of Mandan. After careful review of the surrounding area we determined that there was a need for affordable housing in the way of single family homes and townhomes, accommodations for travelers, office space and retail. The retail will include a convenience store and gasoline station, restaurant, coffee shop/ sandwich shop, fast food chain, and possible grocery store. These amenities would be evaluated in greater detail with City staff and possible public charettes, to determine the best fit for the future growth of the City of Mandan.

The benefits that would be realized by this new community will be new infrastructure that will support the new growth. With the infrastructure will come creation of new jobs, affordable housing, and increased tax revenues to the City. It is our belief that if you provide the correct amenities and infrastructure at the start of the project, there is a greater likelihood that transient workers will become permanent residents, thereby increasing the City's population and tax base.

See estimated tax impact table on the next page.

Estimated Tax Impact

Phase 1 – Townhomes and Hotel								
			Construction Sales Tax		Annual Property Taxes		Annual Sales Taxes	
Quantity	Item	Construction Costs	City \$	State \$	City \$	State \$	City \$	State \$
	Infrastructure, site work, paving and utilities	\$3,200,000	-	-	-	-	-	-
48 units	Townhomes	\$7,000,000	\$66,000	\$331,000	\$35,000	-	-	-
80 rooms	Hotel	\$7,200,000	\$70,000	\$343,000	\$72,000	-	-	-
	Hotel Bed Tax	-	-	-	-	-	\$42,000	\$210,000
Subtotal		\$17,400,000	\$136,000	\$674,000	\$107,000	-	\$42,000	\$210,000

Phase 2 – Convenience Store / Gas Station & Retail w/Office 2nd Story								
			Annual Sales Taxes		Annual Property Taxes		Annual Sales Taxes	
Quantity	Item	Construction Costs	City \$	State \$	City \$	State \$	City \$	State \$
1 unit	Convenience Store	\$1,300,000	\$13,000	\$62,000	\$13,000	-	\$50,000	\$250,000
30,000 SF	Retail Ground Floor (15,000 S.F.) & Office Above (15,000 S.F.)	\$4,500,000	\$43,000	\$214,000	\$45,000	-	\$10,000	\$50,000
Subtotal		\$5,800,000	\$56,000	\$276,000	\$58,000	-	\$60,000	\$300,000

Phase 3 – Retail, Restaurant, Single Family Homes and Park								
			Construction Sales Tax		Annual Property Taxes		Annual Sales Taxes	
Quantity	Item	Construction Costs	City \$	State \$	City \$	State \$	City \$	State \$
30,000 SF	2 Retail Buildings (Included Restaurant)	\$ 4,500,000	\$43,000	\$214,000	\$45,000	-	\$20,000	-
13 units	Single Family Homes	\$ 3,700,000	\$36,000	\$176,000	\$35,000	-	-	-
	Restaurant Sales Tax	-	-	-	-	-	\$10,000	\$100,000
1 unit	Neighborhood Park	\$ 75,000	-	-	-	-	-	-
Subtotal		\$ 8,275,000	\$79,000	\$390,000	\$80,000	-	\$30,000	\$100,000

Total	\$31,475,000	\$371,000	\$1,340,000	\$245,000	-	\$132,000	\$610,300
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I. Conclusion

Based on the previous estimated tax table, after completion of construction, the City will have received approximately \$371,000 in construction sales tax. Additionally, the City will receive on an annual basis of approximately \$245,000 in property taxes and \$132,000 in sales taxes.

Our Development Team is committed to building a successful project for both the City of Mandan and Annabelle Homes. Collectively our Development Team has over 140 years of land development and construction experience. Couple this experience with the City of Mandan's commitment to growing the community in a responsible and thoughtful manner, and we are destined for success. "Together we can make it happen!"



BUNDLED  BUILDER SOLUTIONS

CVL
COE & VAN LOO

February 16, 2012

Link Golz
112 West Main
Ashley, ND 58413
linksctc@drtel.net
PH: 701-288-3421

Jim Neubauer
City Administrator
City Hall
2502 2nd Ave NW
Mandan, ND 58554

Dear Jim:

I Link Golz propose to purchase 40,000 sq ft of property at \$1.00 per sq ft in lot #1 to build an 11,420 sq ft True Value hardware store. I would like to close on the property as early as possible and begin construction in the spring with a planned Grand Opening in the fall of this year.

Attachment A shows the front elevation and attachment B shows a floor plan of the interior of the store. The estimated cost of the project will be approximately \$1,384,000, please see attachment C & C1. The cost of the project will be funded from my own personal savings, loans from Starion Financial in Mandan, ND, True Value Company and an SBA loan through Lewis and Clark Development Council. True Value Company will also provide inventory discounts, merchandising assistance and advertising support as outlined in attachment D. In order to secure the financing I need to provide hard construction costs, including land acquisition costs to all parties involved. I request all possible financial assistance from the city of Mandan including a 5 year property tax exemption.

I bring over 25 years of retail hardware experience, including 15 years of ownership of Link's True Value in Ashley, ND. I am supported by True Value Company, one of the top hardware wholesale coops in the industry. Their Destination True Value store design is dynamic and a proven winner. My experience combined with True Values support will help me succeed in bringing Mandan the full service hardware store that they desire. Besides filling a need in the community I plan on employing 10 associates in the beginning, and up to 15 in year 5, and estimate annual sales to exceed \$1,000,000 in the second year of operation (attachment E & F).

I aspire to become part of the Mandan community both personally and professionally. As I do so I believe my business will have a positive impact on the city.

Please see all attached and approve.

Sincerely,

Link Golz



The Store Planning Department of the True Value Company prepared this plan to demonstrate a suggested general arrangement of fixtures and equipment in the store. This plan is not intended to be a contract. Actual measurements must be based on available information. Actual measurements must be verified on-site by the member purchaser of the plans or his/her contractor. True Value Company and its member purchasers agree to hold each other harmless from and against all claims, damages, costs and expenses, including reasonable attorney's fees, arising out of or from the use of these plans and the actual build out of such plans compared with all such local, state and federal requirements. The True Value Company disclaims all responsibility for ensuring such legal compliance and for any work done by a contractor using this plan. This plan is provided as a guide only and is not intended to be a contract. No warranty, law right pursuant to Title 17 of the United States Code. Unauthorized use, copying or publication of this plan is prohibited.

Store Planning and Design
 8600 W. Bryn Mawr Ave. Chicago, IL 60631
 Ph# (773) 695-5000 Fax# (773) 695-6521

Vendor Contacts	
Fixtures & Counter:	Lozier Store Fixtures 1-800-228-9882
Graphics:	GFX/Andres International 1-866-279-6732
Lighting:	Cooper Lighting 1-800-252-4352
Lighting:	Halophane Lighting 1-800-252-4352
Exterior Elevations & Signage:	Fluoresco 1-800-470-1711

Exterior Paint Scheme

	PMS 186 Paint: True Value Red Neutral Base Gallon Formula: XX 1Y, R 12V, V24 Quart Formula: XX 12, R 3Y, V6
	PMS 4535C Paint: WeatherAll Satin (SHP-T) Gallon Formula: B8, C1 Y44 Color: Titan
	PMS Black 4 Coated Paint: WeatherAll Satin (SHP-N) Gallon Formula: B2 Y34, C1 Y11, F8 Color: Bronze

Exterior Sign Standards

Channel Letter Signs	Size Ratio	Letter Color	LED Illuminated
	100%	White	Yes
Store Name	30%	White	Yes
Department <small>(Number, Part, Spring, Code, etc.)</small>	30%	Black	No

Store Name is to be 30% of the "T" in True Value Logo Sign

THIS PLAN IS A DESIGN CRITERIA. ALL ELEMENTS ON THIS DRAWING ARE ESTIMATES AND ALL SIZES MUST BE VERIFIED ON SITE. TRUE VALUE COMPANY ASSUMES NO RESPONSIBILITY FOR WORK DONE BY SIGNS ORDERED BASED ON DRAWING. THIS PLAN IS NOT FOR PERMIT OR FOR CONSTRUCTION.

Prospect Link's

 1st Street NW
 Marquette, ND
 58554
 Retailer: Link Goz
 Phone #: 701-288-3421

Project Scope		
<input type="checkbox"/> Ground-Up	<input type="checkbox"/> Remodel	<input type="checkbox"/> Branch store
<input type="checkbox"/> Relocation	<input type="checkbox"/> Merchandise	<input type="checkbox"/> Prospect
<input type="checkbox"/> Expansion	<input type="checkbox"/> Decor	<input type="checkbox"/> Other
BDC: Dayton Hebranson	RC: Matt Appleby	
RS: N/A	RM: Richard Grubbs	

Project Notes	
1.	-

Date	File#	Project History
08/05/11	MandantC1	Store Planning kick-off date
00/00/00	-	Concept review room posting
00/00/00	-	Concept recap revisions
00/00/00	-	BDC/RS/Retailer conference call
00/00/00	-	Review Committee
00/00/00	-	CapX submittal
00/00/00	-	Merchandise plan review
00/00/00	-	Merchandise recap revisions
00/00/00	-	MAC-Retailer conference call
00/00/00	-	Complete set of plans released

Elevation Plan		Sheet #:
Scale: Not To Scale	Drawn by: AT/LL	E1
	Store Planner: Andrea de la Torre	
	Drawing File: Marquette2_121511.dwg	
		Date: 12/15/2011

18" ILLUMINATED CHANNEL LETTER SIGN (WHITE)
 60" ILLUMINATED CHANNEL LETTER LOGO SIGN (WHITE)

15" NON-ILLUMINATED CHANNEL LETTER SIGN (BLACK)

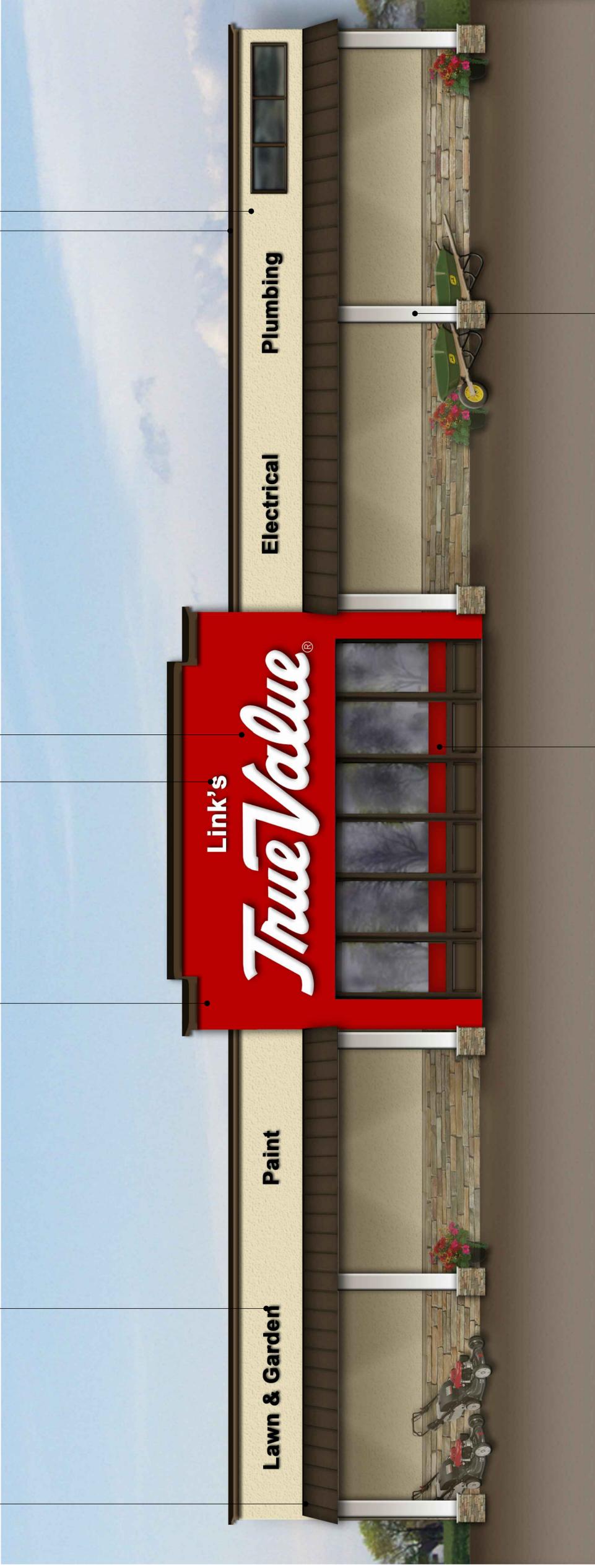
15" NON-ILLUMINATED CHANNEL LETTER SIGN (BLACK)

BRONZE CANOPY

PMS 186 RED FASCIA

BRONZE TRIM (TYPICAL THROUGHOUT)

TITAN BUILDING COLOR



Proposed North Elevation

8" RED STRIPE

WHITE COLUMNS WITH STONE VENEER BASE

NE STORE INITIAL INVESTMENT

RGFPW-v11.12a

START-UP

Pre-pay Rent (First & Last Months) -----	\$	-		
Real Estate Fees -----	\$	10,000		
Loan & Legal Fees -----	\$	21,250		
Employee Wages for Store Set-up -----	\$	14,400	# of Weeks = 6	Employees = 6
Contract Merchandisers Total -----	\$	27,000	# of Weeks = 6	Merchandisers = 2
A Stock Investment & Starter Kit -----	\$	6,100		
Pre-Opening Utilities & Waste Removal -----	\$	2,000		
Grand Opening -----	\$	15,000	(added to first years advertising)	
Career Apparel -----	\$	1,400		
New Member Training -----	\$	750	# of Employees Attending	1
Travel Expenses: Training & OSO -----	\$	2,500	# of Trips	2
TOTAL-----			100,400	

COMPUTER

ENTER AMOUNT

POS Computer -----	Rock Solid	18,200	
Additional Computer Cost - (+Scanning Tool) -----		4,000	
TOTAL Computer-----			22,200

Annual Computer Leasing Fees -----	0
Annual Computer Support Fees -----	2,208

FI TURES

New Fixtures - Total Store -----	Yes
New Fixtures - Addition Only -----	No

TV Vendor

Fixtures, (Includes Fixture Plan) -----	\$	74,432	Lozier
Storage Fixtures -----		7,500	Lozier
Fixture Freight -----		3,500	North Central
Contract Fixture Installers -----		4,200	Lead Installer Only
TOTAL FI TURES -----			9, 32

EQUIPMENT

Office Equipment & Supplies -----	6,000
Exterior Signs Installation & Freight -----	12,100
Interior Décor (DTV) -----	5,500
Telephone, Intercom & Speakers -----	9,500
Store Lighting -----	6,300
Color Computer -----	8,000
Paint Color Center -----	4,500
Paint Colorant Dispenser -----	1,900
Paint Shaker -----	5,000
Paint Can Lid Sealer -----	150
Glass Rack & Glass Cutter -----	5,000
Wire Measurer -----	500
Pipe Cutter -----	4,000
Mnfg Racks & Bins -----	5,000
DTV Specific Racks & Bins -----	12,000
Shopping Carts & Baskets -----	600
Store Supplies -----	5,700
Equipment "Other" -----	0
TOTAL EQUIPMENT-----	91,750

JUST AS RENTAL

Rental Equipment -----	0	
Fixtures Decor & Rental Computer -----	0	
Training & Survey -----	0	0
TOTAL-----		0

NE STORE INITIAL INVESTMENT - CONTINUED

Autos, Trucks & Other Rolling

ENTER AMOUNT

Delivery Trucks -----	-
Automobiles -----	-
Fork Lift -----	5,000

Pallet Jacks -----	500
Other -----	-
Other -----	-

TOTAL----- 5,500

BUILDING If Purchasing

Purchase price of land -----	40,000
Purchase price of building -----	0
Land Preparations -----	0
Parking Lot, Lighting, etc. -----	0
Building Materials and Construction -----	480,000
Heating & Air Conditioning -----	0
Sprinkler System -----	0
Floors -----	38,000
Specialty Flooring -----	3,400
Ceilings -----	0
Additional Lighting or Electrical -----	0
Carpentry -----	0
Burglary Protection -----	0
Leasehold Improvements -----	0
Other Improvements -----	0

TOTAL----- 5 1,400

Mandan True Value - rv:021512 NE STORE DATA FOR A GROUND-UP STORE

Business Financial		Asset allocation		Ground-up Store			
Capital Requirements				Investments	Years	Int Rate	Value
Working Capital	\$ 88,422		17.19%	Business Loan #1	10	6.50%	\$ 300,000
Accounts Receivable	\$ 9,300		1.81%	Business Loan #2	20	5.00%	\$ 450,000
Notes Receivable - New (If Applicable)	\$ -		0.00%	Business Loan #2	7	5.00%	\$ 150,000
Inventory - Current (If Applicable)	\$ -		0.00%				
Inventory - New True Value	\$ 416,720		81.00%	TV Equity Match	10	0.00%	\$ 240,000
Inventory - Non-True Value	\$ -		0.00%	Total Borrowed - Long Term			\$ 1,140,000
Other Liquid Assets - New	\$ -		0.00%	Total Liabilities			\$ 1,140,000
Total Current Assets	\$ 514,442		37.17				
Autos, Trucks & Other Rolling Stock	\$ 5,500		0.69%	Opening Stock Order Credit		Estimated at	\$ 89,074
Building/Leasehold Improvements	\$ 561,400		70.52%	Merchnadising Assistance Credit		Estimated at	\$ 14,850
Computer System	\$ 22,200		2.79%	Other		Estimated at	\$ -
Fixtures (Store & JAR) & Other Equipment	\$ 173,682		21.82%	Other		Estimated at	\$ -
Just Ask Rental Equipment	\$ -		0.00%	Total Other			103,924
Other Assets	\$ 33,350		4.19%	Member / Shareholder		New Investment	\$ 140,000
Total Fixed Assets	\$ 796,132		57.53	Equity / Retained Earnings			\$ 140,000
Start-up Costs	\$ 73,350		100.00%	Total New Incentives & Equity/Retained			\$ 243,924
Total Other Assets	\$ 73,350		5.30	Total			1,3 3,924
Total Capital Requirements	1,3 3,924		100.00	Seasonal Credit Line			\$ 90,000
Seasonal Line of Credit	\$ 90,000			Home Equity LC			\$ -
Home Equity Line of Credit	\$ -						

NE STORE DATA FOR A GROUND-UP STORE			Last Revision	February 15, 2012	
STORE NAME-----	Mandan True Value - rv:021512		By	hom Herbranson/Appleyby	
BUSINESS ADDRESS ---	Lot #1		Opening Date	<input type="radio"/> Jan <input type="radio"/> Jul <input type="radio"/> Feb <input type="radio"/> Aug <input type="radio"/> Mar <input checked="" type="radio"/> Sep <input type="radio"/> Apr <input type="radio"/> Oct <input type="radio"/> May <input type="radio"/> Nov <input type="radio"/> Jun <input type="radio"/> Dec	
TEMP MAIL ADDRESS ---	Linton, ND				<input type="radio"/> 2011 <input checked="" type="radio"/> 2012 <input type="radio"/> 2013
CITY, STATE, ZIP -----	Mandan, ND 58554				
	New Store	Current Location (Expansion Only)	Increase in Sq Ft		
TV RELATED RETAIL SELLING AREA ---	10,41	-	10,41		
NON-TV RELATED SELLING AREA -----	-	-	-	Major Relocation Only 0	
JUST ASK RENTAL SQ FT-----	-	-	-	Increased TV Selling Area - 10,418	
ALL OTHER SQ FT -----	1,002	-	1,002	Estimated Share of Wallet - 95.0%	
TOTAL SQUARE FOOTAGE -----	11,420	-	11,420	Program Eligible Square Feet - 9, 97	

Project Type	Project Incentives - Based on Program Eligible Sales Area
<input checked="" type="radio"/> Ground-up <input type="radio"/> Conversion (buy & convert) <input type="radio"/> Conversion (competitor) <input type="radio"/> Expansion >=8,500 Sq Ft <input type="radio"/> Expansion < 8,500 Sq Ft <input type="radio"/> Major Relocation < 3,000 sq ft <input type="radio"/> Qualified Change of Ownership	Opening Stock Order Discount - = 25% ----- \$ 89,074 <input type="checkbox"/> Handled OSO Only ----- \$ - Merchandising ----- \$1.50 per sq ft - \$ 14,850 True Value Rewards ----- \$4,500 for 2 yrs \$ 9,000 Circulars ----- \$7,000 for 2 yrs \$ 14,000 True Value Equity Loan ----- \$25 per sq ft -- \$ 240,000 TOTAL 3 ,924
Option <input checked="" type="radio"/> #1 <input type="radio"/> #2	<input checked="" type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Yes <input type="radio"/> No

LOANS AND INVESTED MEMBER CAPITAL				EQUITY INVESTMENT INTO PROJECT	
ENTER NAME OF LENDER	int rate	Years	Amount	If Equity Investment is from new Cash then -	Yes
Loan 1	Operating Loan 1	.500	10	300,000	Yes
Loan 2	Operating Loan 2	5.000	20	450,000	MEMBER EQUITY INVESTMENT - \$ 140,000
Loan 3	Operating Loan 3	5.000	7	150,000	Note - Minimum Investment Required \$ 140,000
Loan 4	True Value	0.000	10	240,000	
TOTAL PROPOSED LOANS:				1,140,000	
2 Days of Cash Reserve - Beginning of the Year				45 Days of Cash Reserve - End of Year 1	

Based on TV Related Retail Selling Area:						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
ANNUAL NET SALES -Hardware Only ----	0.00	11.11	9.00	.42	3.45	
NET SALES PER SQ FT-----	900,000	1,000,000	1,090,000	1,1 0,000	1,200,000	
GROSS PROFIT PERCENTAGE -----	39.50%	40.50%	41.25%	41.75%	42.00%	
ENTER INVENTORY TURNS HERE -----	1.307	1.376	1.438	1.482	1.502	
INVENTORY PER SQUARE FOOT -----	40.000	41.500	42.750	43.750	44.500	
TOTAL NE STORE INVENTORY -----	\$416,720					
Less: Current Inventory Adjustments ----	-					
Current Non-DTV Inventory	-	(Inventory amount to be returned to RDC for Credit)			0.00%	Re-Stock Fee
Non-Current Inventory to be Liquidated	-	(Inventory amount to be liquidated to cash)			0.00%	Off of Cost
INVENTORY TO BE ORDERED OSO --	\$416,720		TV Handled OSO	90.0%	\$356,296	
% OF TV SHARE OF WALLET -----	95.0%		TV Direct OSO	10.0%	\$39,588	
INV TO BE ORDERED FROM TV-----	\$395,884	TOTAL	Total OSO	100.0%	\$395,884	

Based on NON-TV Related Retail Selling Area:					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ANNUAL NON-TV SALES -----	0	0	0	0	0
NET NON-TV SALES PER SQ FT-----	-	-	-	-	-
GROSS PROFIT PERCENTAGE -----	0.00%	0.00%	0.00%	0.00%	0.00%
ENTER INVENTORY TURNS HERE -----	-	-	-	-	-
INVENTORY PER SQUARE FOOT -----	0.000	0.000	0.000	0.000	0.000
TOTAL NE STORE INVENTORY -----	\$0				
Less: Inventory adjustments -----	-				
INVENTORY TO BE ORDERED -----	\$0				

Based on Total Store Sq Ft:	2.0%	inflation factor			10	of Years of the Original Lease
RENT PER TOTAL SQ FT-----	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
UTILITIES PER TOTAL SQ FT-----	\$0.90	\$0.92	\$0.94	\$0.96	\$0.97	
REAL ESTATE TAX/INS (CAM) PER SQ FT---	\$0.75	\$0.77	\$0.78	\$0.80	\$0.81	

OPERATING EXPENSES AS A PERCENTAGE OF TOTAL STORE SALES:						
ADVERTISING EXP	4.00%	3.50%	3.10%	2.80%	2.65%	
PHONE/ACCTG/LLEGAL/OFFICE/INS	4.50%	of yr 1 sales - and then increases by inflation				
Payroll Expense Assumptions						
Employees	Number	Rate:				
Managers)- Annual	1	\$ 40,000 per year - increases with inflation				
Full Time & Part Time Workers	15.00%	14.85%	14.75%	14.65%	14.55%	% of sales
Payroll Tax, Fringe Benefits, Workers Comp	14.00%	% of total salaries & wages		Equivilant of	7.9	FT Employees
OTHER INCOME / (EXPENSES)	0.85%	0.90%	0.94%	0.97%	0.99%	

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Other Assets	-	-	-	-	-
1 month prepaid rent	-	-	-	-	-
Other(utility deposits, etc.)	2,100	2,100	2,100	2,100	2,100
Other Liabilities	-	-	-	-	-
Avg # of Days Sales Outstanding(DSO)	37	(For Accounts Receivable calculation)		10.00%	% of Sales
Avg # of Days Payable Held (DPH)	23	(For Accounts Payable calculation)			

CLASSIFICATIONS	Mandan True Value - nc021512					High Profit Store
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
TOTAL AREA SQ. FT.	11,420					12,000
TV RELATED SALES AREA SQ FT:	10,418					9,000
RENTAL SQUARE FOOTAGE:	0					\$46
TV-Related/Hardware Sales	\$900,000	\$1,000,000	\$1,090,000	\$1,160,000	\$1,200,000	\$46
% Increase	0.0%	11.1%	9.0%	6.4%	3.4%	
Non-TV Sales	0	0	0	0	0	2.3
% Increase	0.0%	0.0%	0.0%	0.0%	0.0%	41.40%
Annual Net Sales	\$900,000	\$1,000,000	\$1,090,000	\$1,160,000	\$1,200,000	\$1,414,742
% Increase		11.1%	9.0%	6.4%	3.4%	
TV-Related/Hardware Gross Profit	39.5%	40.5%	41.3%	41.8%	42.0%	41.4%
Non-TV Gross Profit	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Gross Profit	39.5%	40.5%	41.3%	41.8%	42.0%	41.4%
Owner/Manager Salary	4.44%	4.08%	3.82%	3.66%	3.61%	4.10%
Employee Salary/Wages	15.00%	14.85%	14.75%	14.65%	14.55%	12.90%
Pre-Opening Wages	1.60%	14.40%	0.00%	0.00%	0.00%	2.80%
Payroll Tax, Fringe Benefits, Worker's Comp	2.72%	2.65%	2.60%	2.56%	2.54%	2.10%
TOTAL WAGE/SALARY EXPENSE	23.77%	21.58%	21.17%	20.87%	20.70%	19.80%
TOTAL ADVERTISING EXPENSE (Includes Special Event)	5.67%	3.50%	3.10%	2.80%	2.65%	2.10%
Rent	0.00%	0.00%	0.00%	0.00%	0.00%	4.40%
Utilities/Repair & Maint.	1.14%	1.05%	0.98%	0.94%	0.93%	1.70%
Real Estate Taxes/Insurance	0.95%	0.87%	0.82%	0.78%	0.77%	1.40%
Depreciation (Real Estate)	2.79%	2.51%	2.30%	2.17%	2.09%	1.40%
TOTAL OCCUPANCY EXPENSE	4.88%	4.43%	4.10%	3.89%	3.79%	5.80%
Phone/Acct/Legal/Office/Ins/Misc	4.50%	4.13%	3.87%	3.71%	3.65%	6.10%
Interest Loan #1	2.09%	1.74%	1.46%	1.22%	1.03%	0.50%
Operating Loan #1	2.47%	2.15%	1.91%	1.73%	1.60%	
Interest Loan #2	0.79%	0.61%	0.47%	0.36%	0.25%	
Operating Loan #3	0.00%	0.00%	0.00%	0.00%	0.00%	
Interest Existing Loans	0.00%	0.00%	0.00%	0.00%	0.00%	
TV Equity Loan #4	0.00%	0.00%	0.00%	0.00%	0.00%	
Computer Lease & Monthly Support	0.25%	2.20%	2.20%	2.20%	2.20%	
Depreciation (Other)	3.83%	3.48%	3.16%	2.97%	2.87%	
TOTAL GENERAL EXPENSE	13.92%	12.30%	11.06%	10.17%	9.59%	1.20%
TOTAL OPERATING EXPENSE	48.24%	41.82%	39.43%	37.73%	36.74%	7.80%
Rental Income	0.00%	0.00%	0.00%	0.00%	0.00%	
Patronage Dividend Income	3.79%	2.11%	2.09%	2.07%	2.06%	
Start-up (Pre-Opening Expenses)	-0.74%	(6.650)	0.00%	0.00%	0.00%	
Merchandising Paid by TV	1.65%	14.850	0.00%	0.00%	0.00%	
Opening Stock Order Vendor Discount (less RDC return)	9.90%	89,074	0.00%	0.00%	0.00%	
Adjusted Inventory Value	0.00%	0	0.00%	0.00%	0.00%	
True Value Rewards Discount (2 Years)	0.50%	4,500	0.00%	0.00%	0.00%	
Circulars Discount (2 years)	0.78%	7,000	0.00%	0.00%	0.00%	
Other Income/(Expense)	0.85%	7,650	0.94%	0.97%	0.99%	
NET PROFIT/(LOSS) BEFORE TAX	7.99%	71,888	4.85%	52,812	7,06%	33,857
Provision for Income Tax @ 33%	2.64%	23,723	1.34%	17,428	2.43%	144,832
NET PROFIT/(LOSS) AFTER TAX	5.35%	48,165	3.25%	35,384	5.57%	
RETURN ON OWNER'S EQUITY %	25.6%	19,075	14.6%	18.4%	18.3%	

These Projections were jointly prepared by True Value Company ("True Value") and the Member, based upon information furnished by Member as well as other industry sources. True Value has no reason to doubt the accuracy of these projections and to the best of its information and belief these estimates are accurate. Member EXPRESSLY ACKNOWLEDGES AND AGREES however, that these estimates are being provided to Member "as is" and without any representation or warranty of any kind, either express or implied, regarding the accuracy or completeness of other quality of the estimates. Member acknowledges and agrees that True Value has not represented that a "minimum", "guaranteed", or "certain" income can be expected or realized. Member also acknowledges that the figures used to make these projections assume normal, favorable business conditions, good store management, a e-47 proper merchandise mix and on Member devoting dedicated personal efforts to the business and exercising good business judgment in dealings with customers, suppliers, and employees. Member also acknowledges that neither True Value, nor any of its employees or agents has represented that Member can expect to attain any specific sales, profits, or earnings, and that no one is authorized by True Value to make such a claim or representation. The projections contained herein are for general guidance only. As such, Member does not rely on any such information and is encouraged to seek input from Members' accountant and legal or business advisors prior to starting any project. In no event shall True Value or its affiliates or any of the respective directors, officers, employees, agents or representatives have any liability to Member relating to or arising out of any use of these projections including but not limited to the success or failure of any True Value Hardware store.

Member Signature _____ Date _____
 Business Development Manager _____ Date _____

Recap of Targeted Sales, Expenses, Rofit, Cash Flow and Ending Cash in the Bank and Over & Under Target					
Projected Sales Above Target	Year 1	Year 2	Year 3	Year 4	Year 5
10.00%					RGFPW-v11.12a
True Value sales	\$990,000	\$1,100,000	\$1,199,000	\$1,276,000	\$1,320,000
Non True Value sales	\$0	\$0	\$0	\$0	\$0
Total Retail Sales	\$990,000	\$1,100,000	\$1,199,000	\$1,276,000	\$1,320,000
Total Gross Profit	\$391,050	\$445,500	\$494,588	\$532,730	\$554,400
Sales per Sq. Ft.	\$95.03	\$105.59	\$115.09	\$122.48	\$126.70
Inventory Turns	1.44	1.51	1.58	1.63	1.65
Total Expenses	\$448,780	\$445,586	\$458,787	\$467,783	\$471,594
Total Other Income	\$151,332	\$43,525	\$35,144	\$37,616	\$39,097
Total Net Profit	\$93,602	\$43,439	\$70,944	\$102,563	\$121,903
End of Year Cash Flow	-\$19,944	-\$2,196	\$14,037	\$32,941	\$43,677
Ending Cash in Bank	\$67,577	\$65,381	\$79,418	\$112,359	\$156,037
Seasonal Line of Credit	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Available Cash	\$157,577	\$155,381	\$169,418	\$202,359	\$246,037

Target Projection Sales	Year 1	Year 2	Year 3	Year 4	Year 5
					RGFPW-v11.12a
True Value sales	\$900,000	\$1,000,000	\$1,090,000	\$1,160,000	\$1,200,000
Non True Value sales	\$0	\$0	\$0	\$0	\$0
Total Retail Sales	\$900,000	\$1,000,000	\$1,090,000	\$1,160,000	\$1,200,000
Total Gross Profit	\$355,500	\$405,000	\$449,625	\$484,300	\$504,000
Sales per Sq. Ft.	\$86.39	\$95.99	\$104.63	\$111.35	\$115.19
Inventory Turns	1.31	1.38	1.44	1.48	1.50
Expenses	\$434,178	\$418,165	\$429,805	\$437,650	\$440,828
Total Other Income	\$150,567	\$41,635	\$32,992	\$35,253	\$36,602
Total Net Profit	\$71,888	\$28,469	\$52,812	\$81,903	\$99,774
Cash Flow	-\$34,493	-\$12,769	\$974	\$17,902	\$27,425
Ending Cash in Bank	\$53,929	\$41,160	\$42,134	\$60,036	\$87,461
Seasonal Line of Credit	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Available Cash	\$143,929	\$131,160	\$132,134	\$150,036	\$177,461

Projected Sales Below Target	Year 1	Year 2	Year 3	Year 4	Year 5
10.00%					
True Value sales	\$810,000	\$900,000	\$981,000	\$1,044,000	\$1,080,000
Non True Value sales	\$0	\$0	\$0	\$0	\$0
Total Retail Sales	\$810,000	\$900,000	\$981,000	\$1,044,000	\$1,080,000
Total Gross Profit	\$319,950	\$364,500	\$404,663	\$435,870	\$453,600
Sales per Sq. Ft.	\$78	\$86	\$94	\$100	\$104
Inventory Turns	1.18	1.24	1.29	1.33	1.35
Expenses	\$435,966	\$399,929	\$410,094	\$416,841	\$420,082
Total Other Income	\$150,490	\$40,654	\$31,122	\$32,644	\$33,543
Total Net Profit	\$34,474	\$5,225	\$25,691	\$51,673	\$67,061
Cash Flow	-\$65,885	-\$28,408	-\$16,790	-\$1,598	\$6,522
Ending Cash in Bank	\$23,536	-\$4,871	-\$21,661	-\$23,258	-\$16,736
Seasonal Line of Credit	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Available Cash	\$113,536	\$85,129	\$68,339	\$66,742	\$73,264

These Projections were jointly prepared by True Value Company ("True Value") and the Member, based upon information furnished by Member as well as other industry sources. True Value has no reason to doubt the accuracy of these projections and to the best of its information and belief these estimates are accurate. Member EXPRESSLY ACKNOWLEDGES AND AGREES however, that these estimates are being provided to Member "as is" and without any representation or warranty of any kind, either express or implied, regarding the accuracy or completeness or other quality of the estimates. Member acknowledges and agrees that True Value has not represented that a "minimum", "guaranteed", or "certain" income can be expected or realized. Member also acknowledges that the figures used to make these projections assume normal, favorable business conditions, good store management, a proper merchandise mix and on Member devoting dedicated personal efforts to the business and exercising good business judgment in dealings with customers, suppliers, and employees. Member also acknowledges that neither True Value, nor any of its employees or agents has represented that Member can expect to attain any specific sales, profits, or earnings, and that no one is authorized by True Value to make such a claim or representation. The projections contained herein are for general guidance only. As such, Member does not rely on any such information and is encouraged to seek input from Member's accountant and legal or business advisors prior to starting any project. In no event shall True Value or its affiliates or any of the respective directors, officers, employees, agents or representatives have any liability to Member relating to or arising out of any use of these projections including but not limited to the success or failure of any True Value Hardware store.

Member Signature _____ Date _____

Business Development Manager _____ Date _____

DEVELOPMENT PLAN



**River Garden Office Park
1403 27th Street NW
Mandan, ND
3.1 Acres Zoned: CB - Commercial**

Morton County, ND
Lot 1, Block 1, Addition 0264, School District #5
Parcel 65-4477545

46° 51' 00" N 100° 54' 35" W

Revision 2.1 February 17, 2012

In Response to Request for Proposals By

City of Mandan.
205 2nd Avenue NW
Mandan, ND 58554



River Garden Office Park

1403 27th Street NW Mandan, ND
Development Proposal

Introduction

The City of Mandan posted a request for proposals on January 4, 2012 and modified on January 12, 2012 for commercial or mixed commercial/residential development on two parcels of property in northwest Mandan it owns and is offering for development. The properties are located along Sunset Drive, north of I-94, Exit 152 and have not been previously developed.

The City indicated its interest in proposals that provide retail and services for the community's residents, businesses and visitors; that increase the city's commercial tax base; and that offer employment opportunities for area residents. While the City of Mandan indicated its preference for the site(s) as a hotel location, it indicated it would consider other uses for the parcels. The proposed purchase price was to be one of multiple criteria for evaluating proposals. Other important criteria listed include intended uses, immediacy of the development schedule, amount of investment, developer experience and relationships with potential retail, restaurant and hospitality users.

This proposal addresses our interest in developing one of the two properties; specifically the smaller 3.1 acre lot at 1403 27th St NW in Mandan as a mixed use commercial office and restaurant development consistent with the parcel's existing zoning. Work during the preliminary portions of the project is being conducted under the Keitu Engineers & Consultants, Inc. entity. However if this project moves forward, a new entity "RiverWest Development" will build and manage the project. The rights to the name "RiverWest" is currently registered in North Dakota to Keitu's principal owner Kathleen Spilman by the State's Secretary of State.

Project Synopsis

Due to the sloped topography (i.e. elevation change of approximately 75 feet across 450 feet) a multi-building project installed across 3 separate lot tiers is proposed. Five buildings each slightly under 5000 square feet in size are proposed. The buildings can be configured either as a single ownership, or subdivided with multiple tenants. A sixth building approximately half that size is proposed for the center portion of the complex. The proposed project site plan, current zoning and other pertinent data for the project are depicted on the enclosed 5 sheets.

A sloped lot presents stormwater management challenges and a "water garden" is proposed for the eastern portion of the site to both slow flows to the City's stormwater system as well as enhance the overall appearance of the site. It is from this feature the project derives its name.

A series of building plans have been selected that are both flexible in layout, scalable for future growth and economical to build and maintain. The one story slab-on-grade foundation buildings are expected to be constructed of 1 by 6 inch steel or wood studs and can be finished in any one of several optional architectural packages to maintain some uniform yet distinctive appearance. It is likely, however, that if a casual restaurant tenant is secured, a franchised operation may bring with it certain architectural appearance requirements. The project design attempts to accommodate this requirement by isolating it to the edge of the development and away from other buildings.

Expecting that traffic count will continue to grow on Sunset Drive north and south to and from the Interstate 94 exchange and/or a major retail development such as the proposed WalMart Supercenter located southeast of the development, only one traffic access point is proposed to Sunset Drive. The small



River Garden Office Park 1403 27th Street NW Mandan, ND Development Proposal

“coffee / sandwich shop” building is situated in the development to encourage traffic access off 27th Street NW and turning traffic at a major street intersection. The placement of the restaurant pad also provides for a separate parking lot access point away from Sunset Drive, if necessary. The remaining buildings are situated around the perimeter of the development to allow separate parking areas surrounding each building as well as “L-shaped” central traffic lane servicing the entire complex.

Building density for the complex was reduced to accommodate parking spaces beyond the minimum required by Mandan city zoning ordinances, to further encourage this type of development consistent with the desired commercial uses specified in the request for proposal. Parking lots will be constructed of paved asphalt or concrete equivalent.

We believe this project makes the best use of the site, is in harmony with the surrounding area and its concept can be expanded and applied to adjacent undeveloped parcels.

Project Timeline

- August 2012 Sale of property complete.
- September 2012 Construction commences of first 4970 square foot building at site
- April 2013 First building complete ready for occupancy
- September 2013 Construction commences of second 4970 square foot building at site
- April 2014 Second building complete ready for occupancy

Additional buildings will be constructed “on spec” once at least 50% of the prior building has been leased until at least 27,200 square feet of buildings have been constructed. One or more tenants are expected on a “Build To Suit” basis within the constraints of the overall project design. Construction of those building(s) will occur independently and simultaneously if necessary to meet contractual obligations.

Economic Impact – Property Tax Projection – Lease Rates

Year	Land	Buildings	Total Value Net	Taxable Amt	Mill Rate	Annual Taxes
2012	\$270,000	\$0	\$270,000	\$13,500	0.40295	\$5,440
2013	\$270,000	\$500,000	\$770,000	\$38,500	0.40295	\$15,514
2014	\$270,000	\$1,000,000	\$1,270,000	\$63,500	0.40295	\$25,587
2015	\$270,000	\$1,300,000	\$1,570,000	\$78,500	0.40295	\$31,632
2016	\$270,000	\$1,300,000	\$1,570,000	\$78,500	0.40295	\$31,632
2017	\$270,000	\$1,800,000	\$2,070,000	\$103,500	0.40295	\$41,705
2018	\$270,000	\$1,800,000	\$2,070,000	\$103,500	0.40295	\$41,705
2019	\$270,000	\$2,300,000	\$2,570,000	\$128,500	0.40295	\$51,779
2020	\$270,000	\$2,300,000	\$2,570,000	\$128,500	0.40295	\$51,779
2021	\$270,000	\$2,800,000	\$3,070,000	\$153,500	0.40295	\$61,853

Proposed investment schedule and expected tax benefits are provided in the table above, assuming 2011 dollars and the current property mill levy rate.



River Garden Office Park 1403 27th Street NW Mandan, ND Development Proposal

Since a restaurant tenant(s) cannot be guaranteed, no projected sales and/or hospitality taxes are included in the current projections.

Per the attached quote, “hard” building construction cost for each building is approximately \$355,000 with an additional 20% allowance for parking lots and utilities and an additional 20% increase in assessed value once financed. While each property will be configured to suit an individual tenant and some uses such as restaurants may demand different rates depending on the tenants’ build out requirements, the space is currently expected to lease for \$12-\$14 per square foot.

Property Purchase Price and Terms

As indicated in the previous section, the proposed purchase price for the 135,022 square foot parcel is \$270,000 cash upon closing which is approximately \$2.00 per square foot.

This offer is contingent on establishing a common understanding of a formal development plan and costs, including confirmation that no current balance remains for special assessments for the parcel.

Project Financing

The project is expected to be privately financed. Initial discussions have occurred with Security First Bank of Mandan who is willing to provide capital for the property purchase and development as presented above. A copy of a letter from the bank stating their interest is also enclosed.

Development Penalties

If the site development does not progress as predicted in the enclosed schedule, the developer would agree to a \$10,000 per building per year gap penalty up to a maximum of \$100,000.

Qualifications of Developer

Keitu Engineers & Consultants, Inc. has been in business in Mandan for over 10 years and now has grown to 6 engineers and 14 permanent employees plus 3 temporary employees. Two recent staff additions have included a licensed civil engineer and survey crew leader who were previously employed by civil engineering firms in the Twin City area and were routinely engaged in commercial development projects.

Keitu’s Principal Kathleen Spilman has resided in the Bismarck-Mandan area for over 40 years and is familiar with the area. She has been engaged in the practice of engineering for over 30 years. Kathye has also been consulted with on multiple occasions by the Bismarck-Mandan Development Association to help identify potential business areas for growth, and is very familiar with multiple organizations looking to locate in the state to support oil field development in western North Dakota.

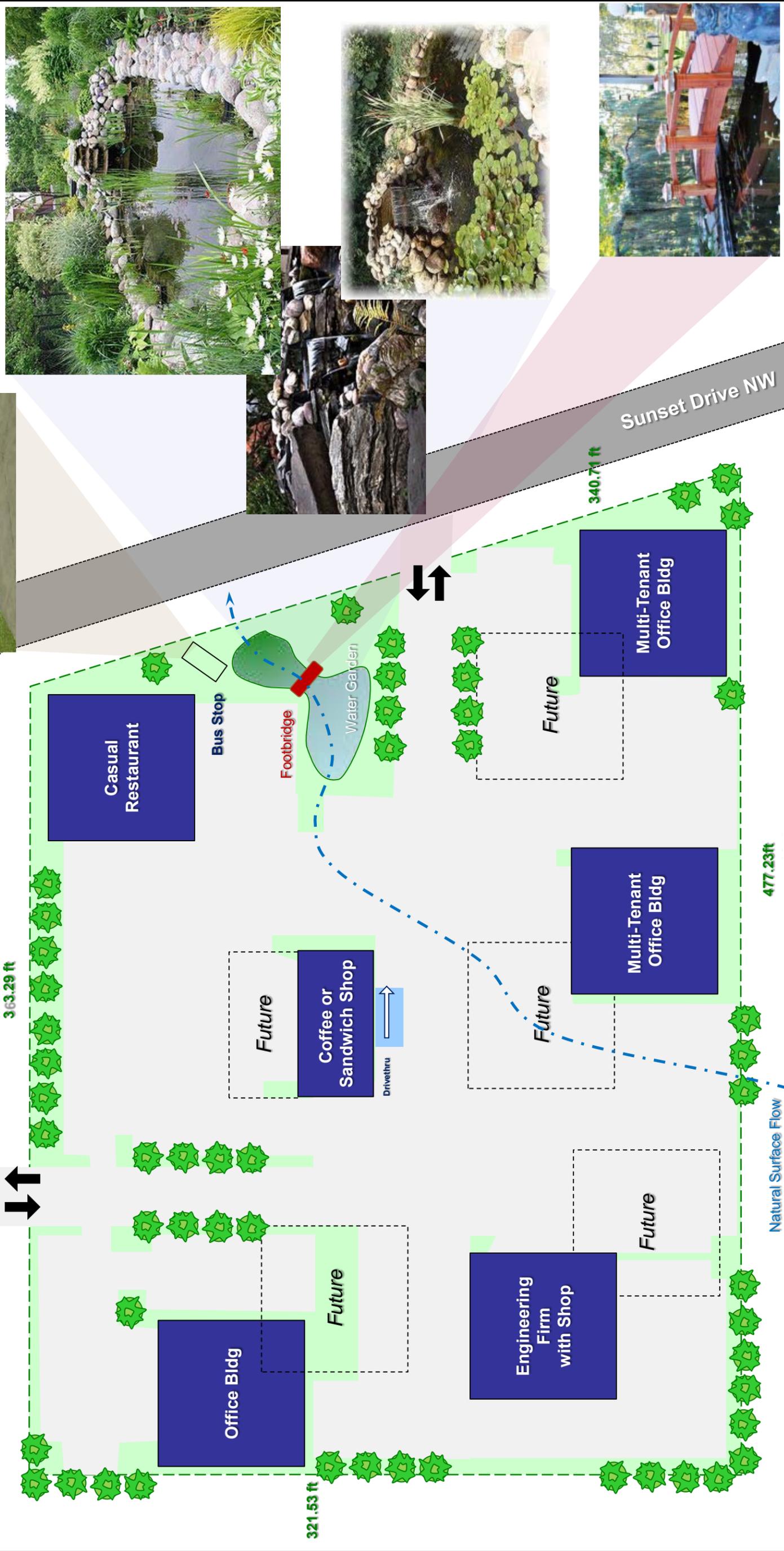
However this project would be the first real estate development project for RiverWest Development / Keitu Engineers & Consultants, Inc. staff.

Project Contact

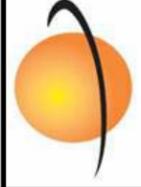
All contact should be directed to Kathleen Spilman, PE c/o Keitu Engineers & Consultants, Inc. PO Box 98; 2610 Old Red Trail NW Suite C; Mandan ND 58554; (701) 667-1800 or via email at kspilman@keitu.com



27th St NW



Sunset Drive NW

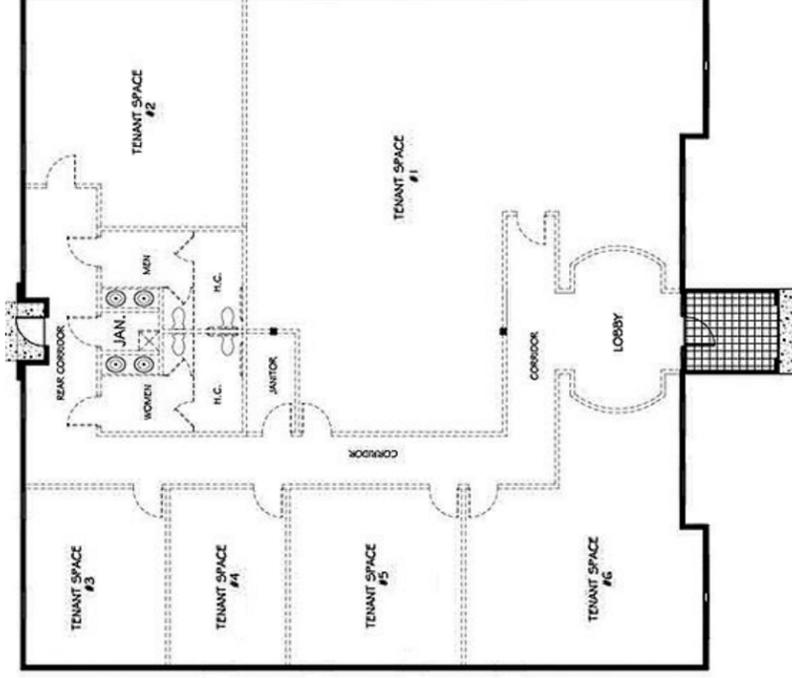
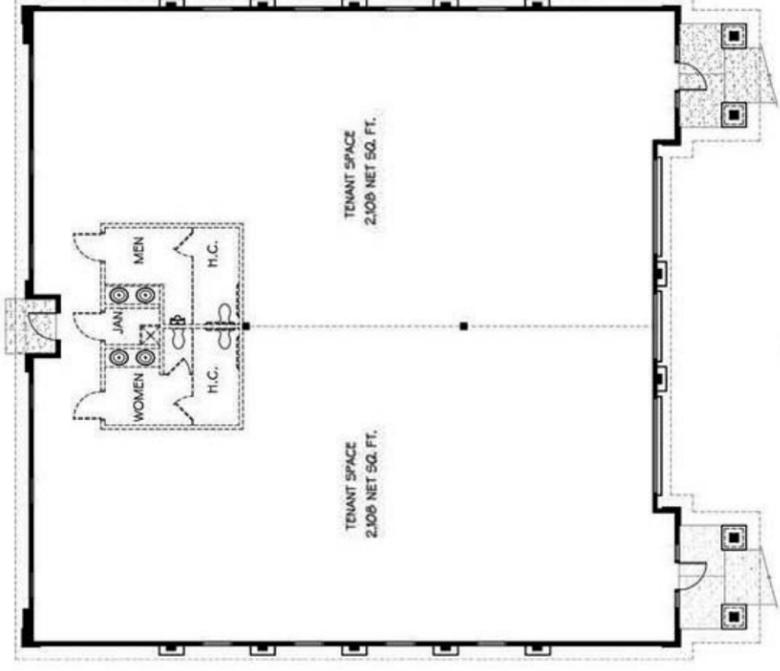


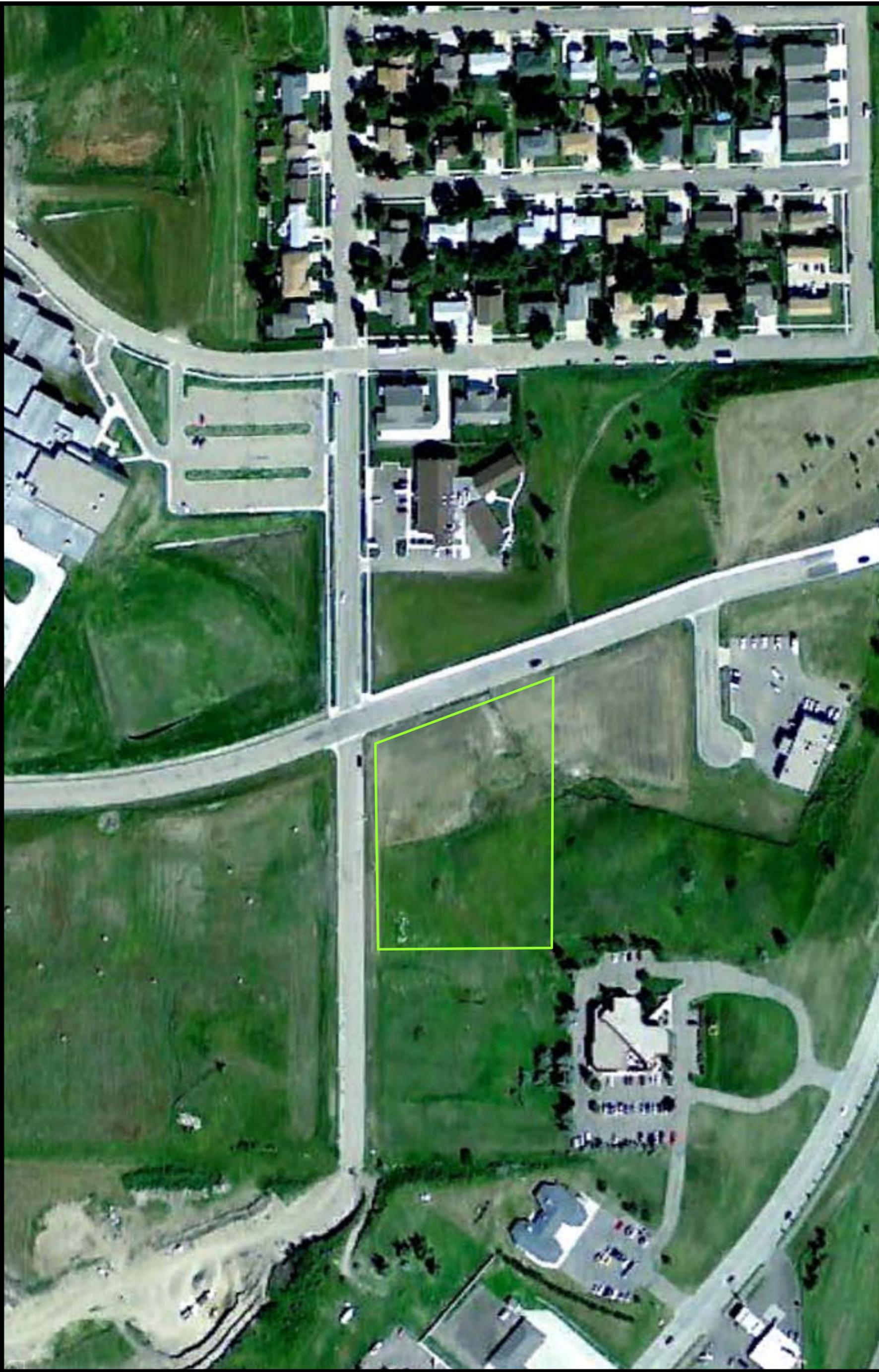
KEITU
ENGINEERS & CONSULTANTS, INC.

2 10 Old Red Trail Suite C PO Box 9
Mandan ND 5 554-009
701 7-1 00 fax 701 7-1 02

Date:	February 2012
Prepared By:	K. Spilman
Reviewed By:	K. Spilman

Site Plan River Garden Office Park
1403 27th Street NW: Mandan, ND Zoned: CB - Commercial
Sheet 1 of 5 --- R2.1

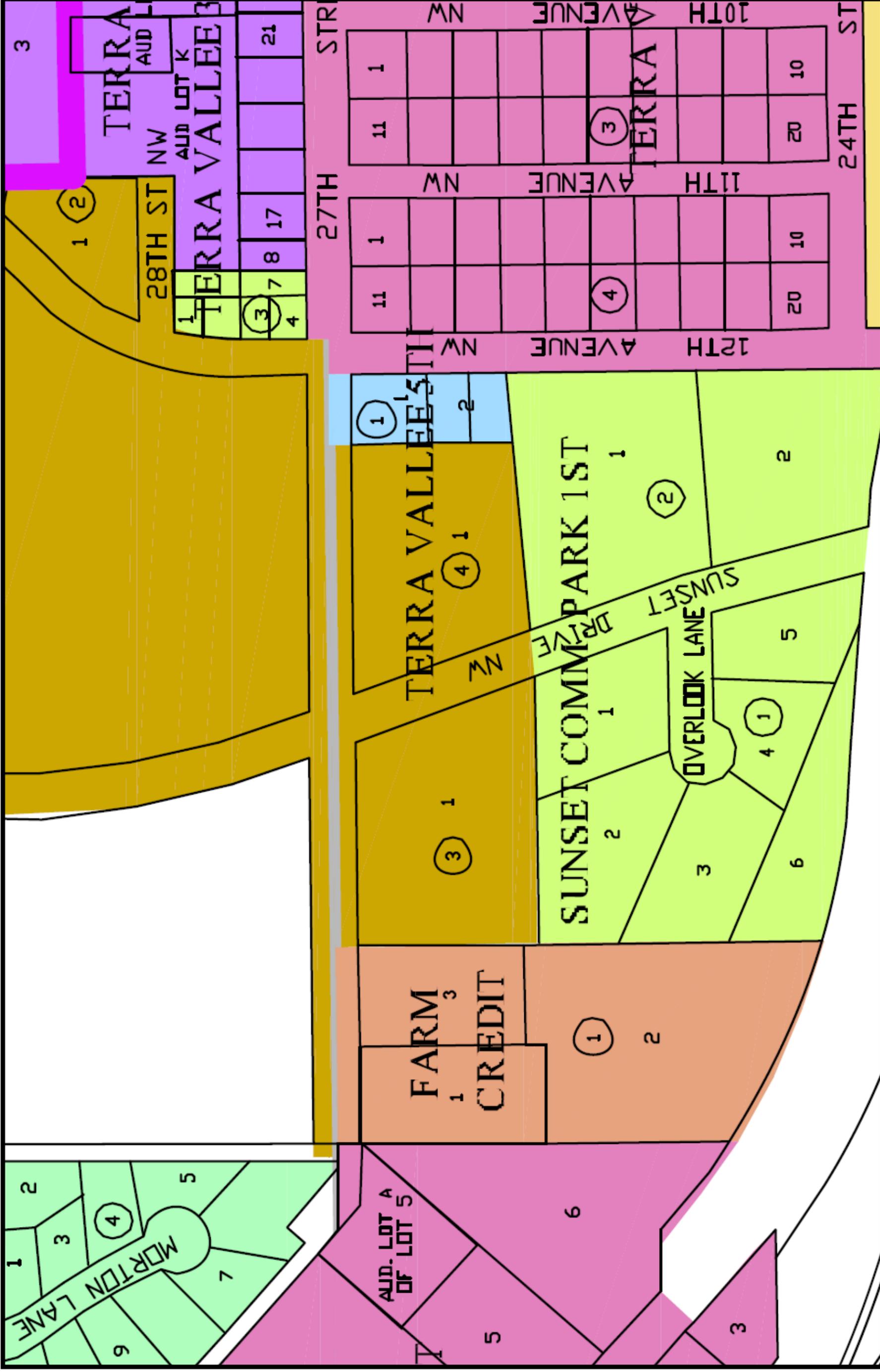




2 10 Old Red Trail Suite C PO Box 9
Mandan ND 5 554-009
701 7-1 00 fax 701 7-1 02

Date: February 2012
Prepared By: K. Spilman
Reviewed By: K. Spilman

Aerial Photo Vicinity River Garden Office Park
1403 27th Street NW: Mandan, ND Zoned: CB - Commercial
Sheet 3 of 5 --- R2.1

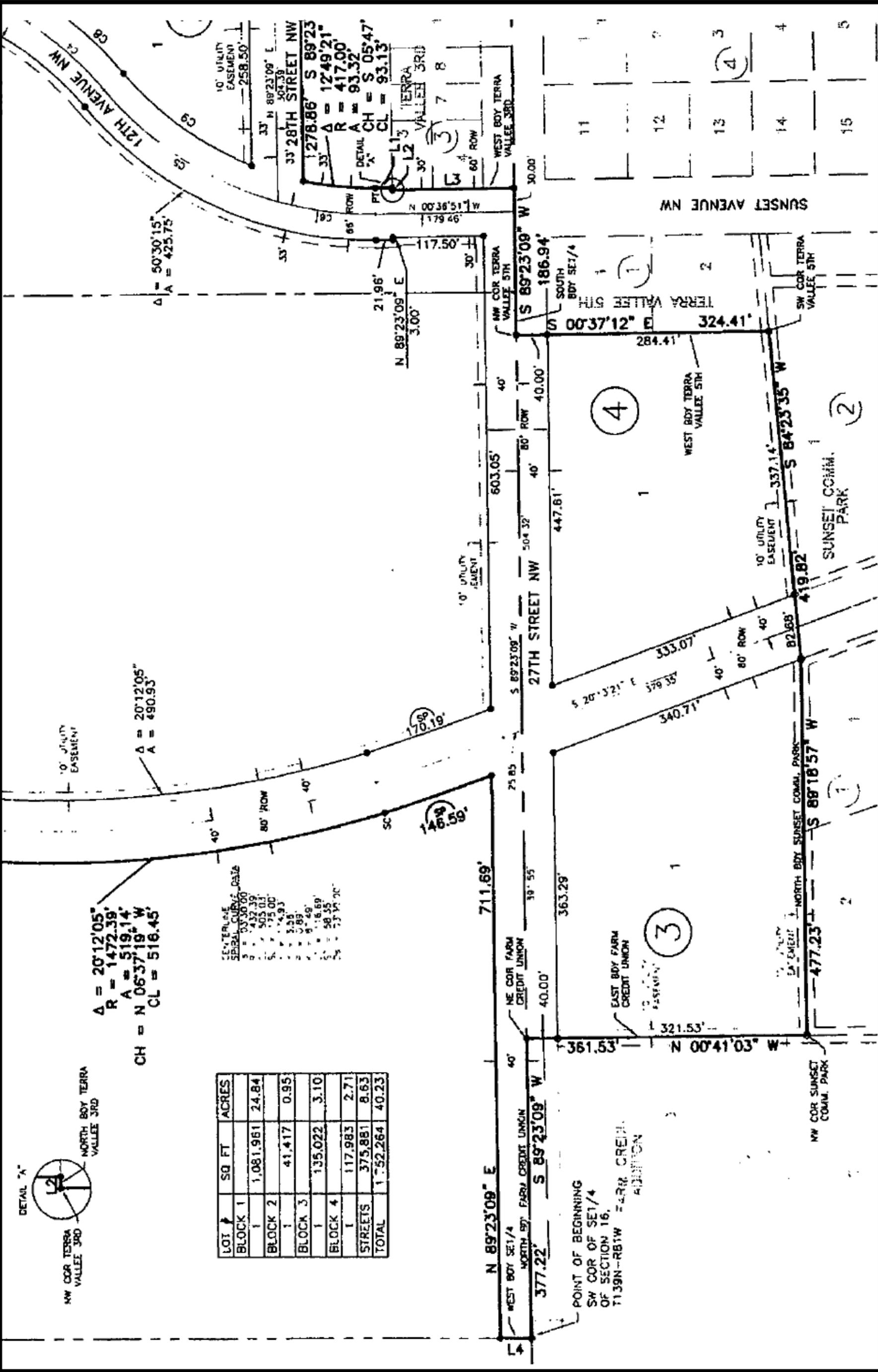


Vicinity oning River Garden Office Park
 1403 27th Street NW: Mandan, ND Zoned: CB - Commercial
 Sheet 4 of 5 --- R2.1

Date: February 2012
 Prepared By: K. Spilman
 Reviewed By: K. Spilman

2 10 Old Red Trail Suite C PO Box 9
 Mandan ND 5 554-009
 701 7-1 00 fax 701 7-1 02





$\Delta = 20^{\circ}12'05''$
 $R = 1472.39'$
 $A = 519.14'$
 $CH = N 06^{\circ}37'19'' W$
 $CL = 516.45'$

LOT	SQ FT	ACRES
BLOCK 1	1,081,961	24.84
BLOCK 2	41,417	0.95
BLOCK 3	135,022	3.10
BLOCK 4	117,983	2.71
STREETS	375,881	8.63
TOTAL	1,752,264	40.23

INTERPOLATED
 SERIAL CURVE DATA
 S = 33°30'00"
 A = 432.39'
 S = 505.03'
 S = 75.00'
 S = 4.93'
 S = 3.58'
 S = 1.89'
 S = 1.49'
 S = 1.16.59'
 S = 58.35'
 S = 23.34'

POINT OF BEGINNING
 SW COR OF SE1/4
 OF SECTION 16,
 T139N-R81W - 2-2-RR. GREEN
 ADJUNCTION

2 10 Old Red Trail Suite C PO Box 9
Mandan ND 5 554-009
701 7-1 00 fax 701 7-1 02

Current Area Plat **ater Garden Office Park**
1403 27th Street NW: Mandan, ND Zoned: CB - Commercial
Sheet 5 of 5 --- R2.1

KEITU
ENGINEERS & CONSULTANTS, INC.

Date: February 2012
Prepared By: K. Spilman
Reviewed By: K. Spilman

ARIENCO, INC.
PO BOX 1255
BISMARCK, ND 58502-1255
701-202-7780-phone
701-250-1030-fax
ND contractor's license #35741
FL contractor's license #CBC62344

ESTIMATE

2-8-12

Attn.: Kathleen Spillman-Keitu Engineering

Re: 71x70 building as per artist's rendition

This estimate includes the following:

Drawings, lot prep & leveling, excavation & backfill, water & sewer, flooring & walls, slab, heating & cooling, plumbing, electrical, garage door & opener, Dryvit, decorative rock, drywall hanging & finishing, insulation, paint, materials & labor for building

Total estimate	\$352,500.00
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**NOTE-The above is an ESTIMATE ONLY, due to incomplete information and drawings. This estimate does NOT include: landscaping, parking lot, parking lot lighting, or sprinkler system for building.

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PO BOX 1255
BISMARCK, ND 58502-1255
701-202-7780-phone
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ND contractor's license #35741
FL contractor's license #CBC62344

BREAK DOWN OF ESTIMATED COSTS

2-8-12

Attn.: Kathleen Spillman-Keitu Engineering

Re: 71x70 building as per artist's rendition

Drawings	\$1,000.00
Lot prep & leveling	\$6,000.00
Excavation & backfill	\$4,000.00
Water & sewer	\$7,000.00
Footings & walls	\$8,400.00
Slab	\$19,600.00
Heating & Cooling	\$14,500.00
Plumbing	\$9,500.00
Electrical	\$15,500.00
Materials	\$96,700.00
Garage door & opener	\$3,000.00
Dryvit	\$11,500.00
Decorative rock	\$14,900.00
Drywall hanging & finishing	\$16,000.00
Insulation	\$9,000.00
Paint	\$8,000.00
Flooring-tile	\$34,300.00
Labor	<u>\$73,600.00</u>
TOTAL	\$352,500.00



Security First Bank
OF NORTH DAKOTA

Phone (701) 667-7000 614 West Main St. PO Box 1150 Mandan, North Dakota 58554 Fax (701) 663-1711

February 6, 2012

City of Mandan
205 2ND Ave NW
Mandan, ND 58554

RE: Credit reference for Kathleen Spilman / Keitu Engineers

To: Whom It May Concern:

Kathleen Spilman and Keitu Engineers have been customers of Security First Bank since 2005. Keitu Engineers is a thriving business that has expanded significantly in the last few years. The company has grown from 4 full time and one temporary employee to 14 full time and 3 temporary employees. Their services continue to broaden and her current facility has reached its capacity.

The proposed property will be ideal for her business and future growth. We have reviewed the proposed River Garden Office Park project and are initially interested providing financing for the project.

Kathleen along with her business, Keitu Engineers, are strong customers of Security First Bank. They have always managed their accounts beyond our expectations. We look forward to working with her on this proposed project.

If you have any questions or concerns, please call me at 701-667-7000.

Sincerely,



Jeff Erickson
Vice President

DON MCGUIRE & JOHN SHULTZ

Proposal for Development of Land Parcels in Mandan

In response to City of Mandan Request for
Proposals issued Jan.3, 2012

2/17/2012

Don McGuire and John Shultz, local Mandan residents, are submitting this response to the City of Mandan for portions of the land parcels owned by the City described in an RFP issued on Jan. 3, 2012

**Proposal for Development of Land Parcels
Located Near I-94, Exit 152 Mandan, ND
February 17, 2012**

In response to the City of Mandan's RFP issued Jan. 3, 2012, Don McGuire and John Shultz are making this offer on a portion of City Parcel 2698AA located on Sunset Drive west and across the street from the Mandan Middle School.

Proposed purchase price: This offer consists of two parts and is made on two portions of Parcel 2698AA as shown on the attached map.

Part 1: The first part of the offer is for an area described as Tract 1 of Parcel 2698AA as shown on the attachment and including approximately 5.8 acres or approximately 252,000 sq. ft. Tract 1 is bounded by 27th St. NW on the South and Sunset Drive on the East. The offer for Tract 1 is set at \$0.347 per sq. ft. or a total of approximately \$87,450.00. A metes and bounds survey of the tract will be needed to establish the exact final price.

This purchase price offer was arrived at after taking into account the challenges that this tract will present to development. The extreme steep topography on the west side of this tract will in our opinion result in a substantial portion (approx. 1.33 acre) of the tract not being economically feasible to develop for commercial projects. There exists approximately 60 feet of drop from the west side to the east side of the tract at the extreme. The remainder of the tract (approx. 4.5 acres) will require substantial amounts of cut/fill to arrive at grades that will be suitable for construction of planned commercial projects. Also as a result of the extreme variability in topography it is anticipated that a great deal of added expense will be required for retaining walls to maximize useable space on the remainder of the tract.

Another factor related to the existing topography of Tract 1, natural site drainage, will require added costs for installing a storm sewer within the tract to drain overland flow from the West through the tract and into the existing storm sewer collection point on the east side of the tract.

Part 2: The second part of this offer is for an area described as Tract 2 of Parcel 2698AA as shown on the attachment and including approximately 4.1 acres or approximately 180,000 sq. ft. Tract 2 is bounded on the South by Tract 1 and Sunset Drive on the East. It is assumed that the City of Mandan will want a new street bisecting Parcel 2698AA as indicated on the attached map. This new street will bound Tract 2 on the North. The offer for Tract 2 is in the form of an “option to purchase” with a 1 year term commencing from the closing date for Tract 1. The option price offered is set at \$0.75 per sq. ft. or a total of approximately \$135,000.00.

Again the topography of Tract 2 was factored into the development costs for grading of the tract to provide suitable grades for construction of planned commercial projects. Cut/fill yardage while substantial will not be as extreme as on Tract 1. Retaining walls, while also not as extensive as on Tract 1, will be required to maximize useable space on this area. Storm water drainage considerations within the tract will not be as extensive as for Tract 1. However, City of Mandan requirements and resulting costs/added specials for storm water control, water, and sewer associated with a new street along the north side of Tract 2 will need to be factored into the final option price for this tract. Also, as for Tract 1, a metes and bounds survey of the tract will be required to establish the exact final price.

Conditions: This offer is dependent on the following conditions.

- 1) Results of a feasibility study for siting a hotel in Tract 1 indicative of positive economic return to the investors.
- 2) Required zoning changes are achieved prior to closing.
- 3) Required permits are received prior to closing.
- 4) Soils borings/testing do not indicate impediments or significant additional costs related to foundation design and construction of planned structures.
- 5) City of Mandan establishes any additional requirements for storm water, sewer, and water infrastructure and new street construction with resulting increases in specials to be factored into final selling price as a dollar-for-dollar reduction in selling price.
- 6) City of Mandan to provide the metes and bounds survey and description for both Tracts 1 and 2.

Closing date: A closing date for Tract 1 is suggested as June 15, 2012.

Intended use of property:

The initial project intended for this property in Tract 1 will be a 70-96 unit hotel with access to a Microtel franchise available. A feasibility study will be required to determine the number of units that will best fit the potential market and location. Other projects under review will potentially include a restaurant, office space, and retail space (strip mall) and will be determined based on feasibility studies and consumer needs in Mandan.

Site plan: The attached site map indicates proposed location of the hotel and restaurant within Tract 1. Tract 2 will include projects for office and retail space.

Development budget: A development budget for the hotel indicating construction costs will not be completed until the feasibility study is completed. We are anticipating the hotel construction costs will be approximately \$5,000,000.

A combination of debt financing and equity will be used to finance the hotel project. The feasibility study will be needed to determine relative portions of these financing instruments.

Public financial assistance: The offer is contingent on the City of Mandan agreeing to forgive the existing specials for a portion of Tract 1 equal to the prorated amount of existing specials that are now assigned to the estimated 1.33 acres of land unsuitable for commercial construction.

Property tax exemptions may or may not be applied for on a project specific basis. It is expected that the hotel project will apply for a full 5-year property tax exemption.

Schedule: An anticipated schedule for completing acquisition, zoning, feasibility study, site preparation, and hotel construction is attached. It is anticipated that the hotel will be completed by June 15, 2013.

Developer qualifications: The developers have experience in project planning and development, engineering, and construction management of similar commercial and industrial projects.

Benefits to the local economy: An estimated 50 people from the local trades will be employed during construction of the hotel.

Annual gross revenue from the hotel is estimated at \$2,225,000, generating hospitality and sales tax for Mandan. Annual average payroll of \$300,000 to operate the hotel is expected.

RFP respondent information: The respondents, Don McGuire and John Shultz, along with others will create a formal business entity that will be the owner of the properties described in this RFP if this offer is accepted by the City of Mandan. Contact information for the individuals named on this offer is as follows:

Don McGuire

1908 River Drive NE

Mandan, ND

Cell phone: 701-220-0973

John Shultz

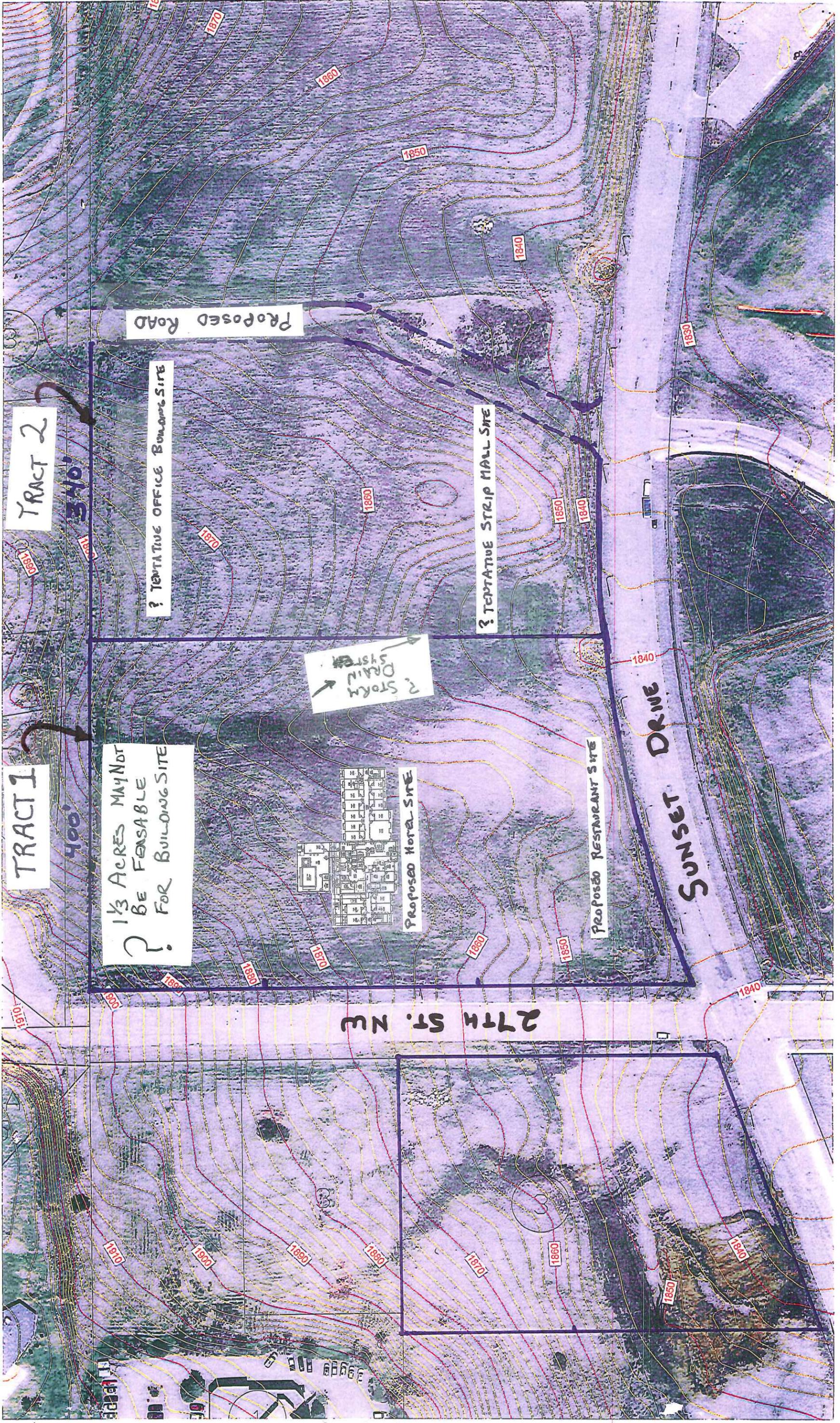
1904 River Drive NE

Mandan, ND

220-1662

Cell phone: 701-220-1662

Scale 1"=100'



TRACT 1

TRACT 2

400'

340'

?
1 1/3 ACRES MAY NOT
BE FEASIBLE
FOR BUILDING SITE

? TENTATIVE OFFICE BUILDING SITE

? STORM
DRAIN
SYSTEM



Proposed Morel Site

? TENTATIVE STRIP MALL SITE

Proposed Restaurant Site

Proposed Road

27th St. NW

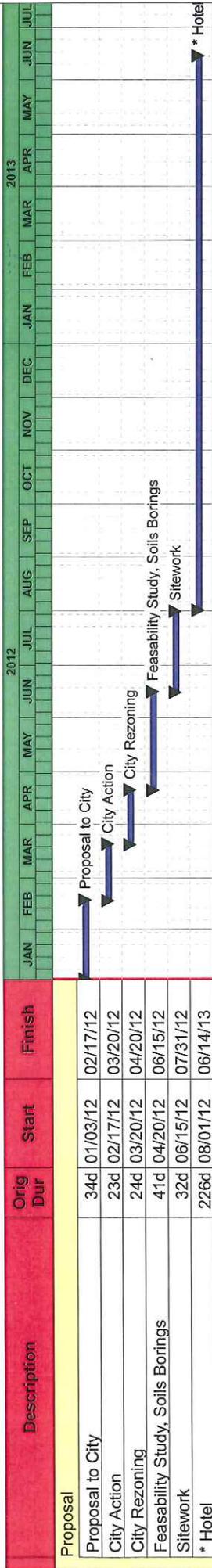
SUNSET DRIVE

COPY

ORIGINAL

Professional Contractors, Inc.
 1131 Airport Road
 Bismarck, ND 58504
 Phone: 701-223-7072

Phasing Schedule for a Portion of City Parcel 2698AA



* Note: If Hotel could commence by 6/15/12,
 a 1/31/13 occupancy date may be a possibility.

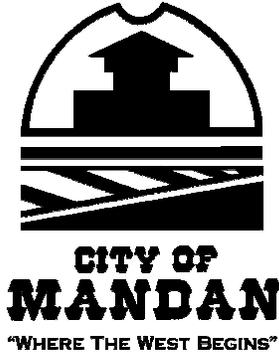
March 15, 2012, Special Meeting, Board of City Commissioners

New Business No. 4

1. Consider Energy Infrastructure and Impact Office Flood-Impacted Political Subdivision Infrastructure Grants

Morton County is currently meeting, March 13, 2012, to discuss this issue.

This agenda item may change as a result, therefore, information will be made available on Wednesday March 14, 2012.



Board of City Commissioners

Agenda Documentation

MEETING DATE: March 15, 2012
PREPARATION DATE: March 13, 2012
SUBMITTING DEPARTMENT: Administration
DEPARTMENT DIRECTOR: Jim Neubauer, City Administrator
PRESENTER: Jim Neubauer, City Administrator
SUBJECT: Consider Energy Infrastructure and Impact Office
 Flood-Impacted Political Subdivision
 Infrastructure Grants

STATEMENT/PURPOSE: To consider matching funds related to infrastructure grant application.

BACKGROUND/ALTERNATIVES: Morton County has been allocated \$1M in funds to be utilized for flood related projects. This is a 50% local match program. Jeff Wright, Director of Public Works, Mike Abul, Morton County Superintendent of Roads have been working in conjunction with Tammy Lapp-Harris in preparing the applications in order to best meet the needs of the City of Mandan and Morton County. The table below shows the top priority projects, with the top three, totaling \$2,000,000. The projects that follow the top three would be projects that could be added in the event additional funding becomes available or projects ahead of them are not constructed.

The projects we have considered and ranked in their priority are as follows:

Project	Total Cost	Local Share	Grant
1) Lining of the effluent line from the Waste Water Treatment Plant to Missouri River and pump station (enables utilization of this line when M.River at 17' and above)(Mandan)	\$1.4M	\$700,000	\$700,000
2) Grade raise of 0.25 mile on Timberhaven Drive(County)	\$250,000	\$125,000	\$125,000
3) Grade Raise of 0.7 mile on 32 1/2 Street, 22 nd Avenue, and Riverplace Drive. (County)	\$350,000	\$175,000	\$175,000
4) Adding control/pumping structure on east end of storm water system (Falcon Drive & South Bay Drive intersection). Utilizes existing easement for pumping discharge. (Mandan)	\$127,680	\$63,840	\$63,840

Project	Total Cost	Local Share	Grant
5) Flood Control Structures Riverbend 2 nd Addition, Modify existing structures, Additional Control structure and pump. (Mandan)	\$127,122	\$63,561	\$63,561
6) Grade raise of 1.3 miles on 34 th Street. (County)	\$650,000	\$325,000	\$325,000
7) Memorial Highway Area; Twin City Drive Area. (Mandan)	\$234,564	City \$58,633 ND DOT \$58,6633	\$117,287

ATTACHMENTS:

FISCAL IMPACT: Project ranking one would increase in the 2013 Water and Sewer Utility Base Rate to finance the \$1,000,000 Grant Match with SRF funding over 20 years at 3%, including the 0.5% administrative fee, would amount to \$0.78/per month for residential account.

STAFF IMPACT: Minimal

LEGAL REVIEW: N/A

RECOMMENDATION: To recommend the commitment of \$1,000,000 local funding match for the above projects submitted in the Infrastructure Grant application through a 20 year SRF loan.

SUGGESTED MOTION: Move to approve the commitment of \$1,000,000 local funding match for the above projects submitted in the Infrastructure Grant application through a 20 SRF loan.