

The Mandan Renaissance Zone Committee met at 11:30 a.m. on June 14, 2011, in the Edward “Bosh” Froelich Room at City Hall. Committee members present were Bruce Strinden, Rob Knoll, Jay Feil, David Leingang, and Robert Vayda. Absent were Pat Maddock and Dot Frank. Others present were Business Development Director Ellen Huber, applicant Andrea Leingang and property owner Jerry Renner.

Strinden called the meeting to order. Committee members reviewed the agenda

Feil moved to approve the agenda. Leingang seconded. Motion carried unanimously.

Committee members reviewed minutes of the meeting held May 12, 2011. Huber noted that the chair at the end of the minutes should be listed as Bruce Strinden rather than Jay Feil. She will make the correction.

Knoll moved to approve the minutes with the correction as noted. Feil seconded. Motion approved unanimously.

New Business

Consider application for leasehold improvements at 301 First Street NE. Huber summarized the application by Leingang Chiropractic and Wellness, explaining that it is for an approximate \$36,000 investment in improvements to an 1,800 square foot lease space. The improvements include build-out for five treatment rooms and offices and a restroom to include plumbing, electrical, a new ceiling, flooring, and an automatic door.

The space is on the main level of a two-story building owned by Jerry Renner. The building has total square footage of 13,700, thus accounting for 13 percent of the building’s total space. This building’s current value is \$141,700. A minimum project qualification is an investment in improvements equal to at least 50% of the lease space’s prorata share of the building’s value. The value of the space would be \$18,421 with the minimum investment being \$9,210. The applicant’s proposed investment far exceeds this amount.

Leingang told the committee she has been leases 3 11X19-foot small treatment rooms at the location of Spinecare Chiropractic, 408 First Street NW, for the past four years. She plans to employ or subcontract with 2-3 people. She plans to include a retail display area for the sale of nutrition and vitamin products, chiropractic pillows, braces and related items. Huber explained that when a business is relocating within the Renaissance Zone it must be an expansion to meet the criteria. This project would be an expansion in terms of square footage, employment and the scope of services.

The Assessing Department estimates the improvements will add \$20,000 to the value of the 1,800 sf lease space. Property taxes on the space with the improvements are estimated at \$790 annually for a five-year exemption total of \$3,950. A copy of the draft lease agreement has been submitted indicating the lessee will be responsible for the taxes and thus will benefit from the exemption.

Renner understands that if and when he completes renovations on the building as a whole that this space will be deducted from that exemption. He said that Reis Martial Arts is expanding, so the building is essentially full at this point.

The state income tax exemption is estimated at \$500 annually for a five-year total of \$2,500.

Knoll moved recommend approval of the project with the 100% five year property tax and state income tax exemptions. Leingang seconded. Motion approved unanimously.

Other business. Feil had previously indicated a wish to resign from the committee due to other time commitments. He noted that the resignation would be effective Sept. 30. Huber will issue a news release seeking letters of interest from community members in the financial services sector with an Aug. 1 deadline for responses so that the committee and commission can consider applicants and recommendations in August or September, if needed.

Feil moved to adjourn the meeting. Knoll seconded. Motion carried unanimously.

Ellen Huber,
Business Development Director

Bruce Strinden
Chairman
Renaissance Zone Committee