

The Mandan Renaissance Zone Committee met at 11 a.m. on July 11, 2012, in the Edward “Bosh” Froelich Room at City Hall. Committee members present were Bruce Strinden, Robert Vayda, David Leingang and Pat Maddock. Darren Haugen arrived after the applications had been discussed. Rob Knoll was absent. Others present were City Administrator Jim Neubauer, Business Development and Communications Director Ellen Huber, and Bismarck Mandan Development Association Director of Special Projects Richard Mower. Guests were Paul Brucker and Yvonne of Railway Credit Union, contractor Loran Galpin and Jim Helmers of Eyecare Professionals.

Chairman Strinden called the meeting to order.

Leingang moved to approve the agenda. Bob Vayda seconded. Motion carried unanimously.

### **Minutes**

Committee members reviewed minutes of the meeting held Feb. 16, 2012.

Leingang moved to approve the minutes. Maddock seconded. Motion approved unanimously.

### **New Business**

**Consider application for rehabilitation of 1006 by Railway Credit Union.** Huber provided an overview of the project. Railway Credit Union is proposing to invest about \$533,000 to remodel and expand its headquarters. The credit union will be converting the space previously leased to Ideal Image Dentistry, which recently moved into the new Capital Credit Union building. Railway Credit Unit plans to convert the space into additional offices and a learning center plan. There will also be major changes to the exterior including the addition of a clock tower and re-facing the north side visible from the alley and First Street. The credit union has grown significantly from its early days of operation in the railyard in volume of business and number of employees.

The building’s current value is \$499,600. The proposed investment far exceeds the minimum 50 percent requirement of \$249,800.

The projected value of the building after the initial improvements is \$850,000. The estimated annual property tax on the building as improved is \$17,000 for a projected five-year savings of \$85,000. The credit union is not subject to state income tax. The applicant has also intends to apply for a Storefront Improvement Program forgivable loan of \$10,000. They expect to complete the project by December 2012. The business has an automatic door.

Vayda moved to recommend approval of the application for rehab of 1006 E Main as a Renaissance Zone project with the 100% five-year property and 100% state income tax exemptions. Leingang seconded. Motion approved unanimously.

**Consider application for rehabilitation of 113 Third Avenue NW by Commercial Properties.** Building owners plan to invest about \$105,000 in improvements to include a new exterior treatment as well as remodeling the showroom for the Eyecare Professionals lease space and replacing furnaces for the building. The project has been informally previewed by the Mandan Architectural Review Commission with suggestions being incorporated into the plan.

Another tenant in the building is Grube Retina Clinic, which undertook leasehold improvement project in 2010. As a result of that project 50 percent of the building is already subject to a Renaissance Zone exemption. This would cover the remaining 50 percent of the building.

The building's current value is \$277,000. The remaining value subject to exemption is \$138,500. The proposed investment far exceeds the minimum 50 percent requirement of \$69,250.

The projected value of the building after Renaissance Zone improvement is \$375,000. The estimated annual property tax on half of this value is \$3,778 for a projected five-year benefit in tax savings of \$18,890. The estimated state income tax exemption is \$1,000 annually for a five-year total of \$5,000. This would be tax liability on rental income. Commercial Properties has also applied for a Storefront Improvement Program forgivable loan of \$10,000. They anticipate completing the renovations in 2012.

Grube Retina Clinic has an automatic door as part of its previous leasehold improvement project. Doors will be required for the doors leading to the other two lease spaces: Eyecare Professionals and Mandan Nails.

Maddock moved to recommend approval of the application for rehab of 113 Third Avenue NW as a Renaissance Zone project with the 50% five-year property tax exemption and 100% state income tax exemption. Leingang seconded. Motion approved unanimously.

**Consider application for continued lease 113 Third Avenue NW by Eyecare Professionals.** The building is owned by the eye doctors that provide services through the clinic. Eyecare Professionals leases 2,700 square feet of space in the 10,696 square foot building at a rate of \$2,500 per month. The estimated state income tax exemption is \$3,000 annually for a five-year total of \$15,000.

The continued lease by a business that has been in the community for approximately 50 years helps assure its operations into the future along with employment and important health services in downtown Mandan and for area residents. Eyecare Professionals is one of only two general eye clinics in Mandan. The third is a specialized clinic for retina problems.

Leingang moved to recommend approval of the lease application by Eyecare Professionals as a Renaissance Zone project with the 100% state income tax exemption. Maddock seconded. Motion approved unanimously.

**Consider application for lease of 116 E Main Street by Destiny Screen Printing and Embroidery.** Destiny Screen Printing & Gift Shop has applied for lease of space in the building owned by Scott Johnson. This will be a business new to North Dakota. They plan to lease the building's street level commercial space, 2,000 square feet. About 800 square feet will be used for operation of silk screening and embroidery equipment and 1,200 square feet will be used for a gift and souvenir shop. The business will have a couple employees and occupy a building that was long vacant. The estimated state income tax exemption is \$2,136 annually for a five-year total of \$10,680.

Leingang moved to recommend approval of the lease application by Destiny Screen Printing and Embroidery as a Renaissance Zone project with the 100% state income tax exemption. Maddock seconded. Motion approved unanimously.

Leingang moved to adjourn the meeting at 11:42 a.m. Maddock seconded. Motion passed unanimously.

Ellen Huber,  
Business Development  
& Communications Director

Bruce Strinden  
Chairman  
Renaissance Zone Committee