

The Mandan Renaissance Zone Committee met at noon on Dec. 31, 2013, at City Hall. Committee members present were Bruce Strinden, Rob Knoll, Darren Haugen, Mike Braun, David Leingang and Bob Vayda. Also present was City Administrator Jim Neubauer and Business Development and Communications Director Ellen Huber.

Chairman Strinden called the meeting to order.

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

Minutes

Committee members reviewed minutes of the meeting held Dec. 16, 2013.

Braun moved to approve the minutes. Haugen seconded. Motion approved unanimously.

New Business

Consider an application for rehabilitation of 106 11th Avenue NE by Andra Miller. Miller is planning to invest about \$119,000 in rehabilitation of 106 11th Avenue NE, converting what has been a 1,000 sf single family home to an office for her two businesses. Improvements are to include new siding and windows, awnings, trusses and a new roof over a flat-roof portion of the structure, fascia, soffit and gutters, new furnace and central air, electrical, plumbing, insulation, flooring, new cabinets and counter tops, painting, and an automatic door. The proposed investment far exceeds the minimum of \$12,600, which is 50% of the building's \$25,200 value. Miller hopes to complete the project by mid-March. Miller passed around an elevation drawing of the building showing what it will look like after the improvements. Braun inquired about Miller's choice of location for her businesses. She explained that it was an available property in the central business district, close to her home and zoned commercial.

The building's estimated value with improvements is \$144,200. Annual property tax on the building is estimated at \$2,387 for a five-year total of \$11,934. The estimated state income tax exemption is \$380 annually or \$1,900 for five years.

Miller is also applying for the Storefront Improvement Program. The Growth Fund Committee will consider that application Jan. 3, 2013. The project needs to independently meet the investment requirements for each program to be eligible for both.

Knoll moved to recommend approval of the rehabilitation application as a Renaissance Zone project with the five-year 100% property tax exemption and the five-year 100% state income tax exemption. Vayda seconded. Motion approved unanimously.

Consider an application for lease of 106 11th Avenue NE by M3 Design Homes. M3 Design Homes plans to lease office space in the building. The business specializes in residential home building and remodeling. The business will be relocating from Bismarck, where it has outgrown its current space. The business has one full-time employee and works with several subcontractors. Owner Andra Miller believes the business will generate more foot traffic. Miller was asked specifically what space in the building would be devoted to M3 Design Homes since she had the building's entire 1,000 square footage listed for each of her applications and Renaissance Zone rules don't allow for state income tax exemption on the same lease space more than once. She indicated 500 sf would be for M3 Design Homes. Knoll asked about Miller's employment situation. Huber noted that a Business Incentive Agreement is needed for M3 Design Homes prior to submittal for City Commission consideration.

The estimated state income tax exemption for M3 Home Designs was corrected from the application to \$1,333 annually or \$6,665 over the five years.

Leingang moved to recommend approval of the lease application in a building being rehabilitated as a Renaissance Zone project with a 100% five-year state income tax exemption. Knoll seconded. Motion approved unanimously.

Consider an application for lease of 106 11th Avenue NE by N.D. Real Estate Brokers. N.D. Real Estate Brokers plans to lease 500 sf in the building. The business is a real estate agency that currently has Miller as an agent and one other. Again, the office is a relocation from Bismarck and has the potential to generate foot traffic. Huber noted that a Business Incentive Agreement is needed for N.D. Real Estate Brokers prior to submittal for City Commission consideration.

The estimated state income tax exemption for ND Real Estate Brokers was corrected from the application to \$1,333 annually or \$6,665 over the five years.

Vayda moved to recommend approval of the lease application for a building being rehabilitated as a Renaissance Zone project, with a 100% five-year state income tax exemption. Braun seconded. Motion approved unanimously.

Discuss filling real estate sector position for remainder of term. Knoll suggested publicizing the opening to see what interest there is. Preference would be for a resident or Mandan business representative. It was suggested that the notice be sent to Nancy Deichert at the Bismarck Mandan Board of Realtors.

Vayda moved to adjourn the meeting. Braun seconded. Motion carried unanimously.

Ellen Huber,
Business Development
& Communications Director

Bruce Strinden
Chairman
Renaissance Zone Committee