
The Mandan City Commission met in regular session at 5:30 p.m. on August 2, 2016 in the Ed “Bosh” Froehlich Room at City Hall, Mandan, North Dakota.

Commissioners present were Helbling, Rohr, Braun, Davis, and Laber. Department Heads present were Finance Director Welch, Police Chief Ziegler, Deputy Chief Bier, City Administrator Neubauer, Director of Public Works Wright, Fire Chief Nardello, Business Development & Communications Director Huber, Planning & Engineering Director Froseth, Assessor Shaw, and Building Official Lalim, Absent: City Attorney Brown and Planner Decker.

B. APPROVAL OF AGENDA:

Commissioner Braun moved to approve the Agenda. Commissioner Laber seconded the motion. The motion received unanimous approval of the members present. The motion passed.

C. PUBLIC COMMUNICATIONS:

D. MINUTES:

1. *Consider for approval of the minutes from the July 19, 2016 regular City Commission meeting and the August 2, 2016 regular City Commission meeting..*

Commissioner Laber moved to approve the minutes as presented. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

E. PUBLIC HEARING: None.

F. BIDS: None.

G. CONSENT AGENDA

1. *Consider approval of monthly bills.* ND PERS - 451.58; ND STATE DEPT OF HEALTH - 320.00; ND STATE DEPT OF HEALTH - 30.00; ND STATE RADIO COMMUNICA - 600.00; ND TRAFFIC SAFETY SERVIC - 12,614.73; ONE CALL CONCEPT INC - 405.70; PRESORT PLUS - 2,010.89; RAILROAD MANAGEMENT CO I - 4,431.02; RAZOR TRACKING - 450.00; SCHIFF/CRYSTAL - 100.00; SCHLOSSER EXCAVATING INC - 2,152.73; SIMPLEXGRINNELL - 482.00; ST. ALEXIUS MEDICAL CENT - 624.00; STANTEC CONSULTING SERVI - 3,860.34; THORSON/SHILA - 50.00; TOMAN ENGINEERING CO - 10,518.25; TWIN CITY ROOFING INC - 508.00; VOGEL/DARCI - 56.55; WEHRI/RADEANNA - 450.00; WINKS/LOREN K - 35.00; ADVANCED ENGINEERING SVC - 61,194.34; AMERICAN WATER WORKS ASS - 75.00; BANK OF NORTH DAKOTA - 124,881.44; BIS-MAN CONVTN & VISITOR - 5,220.42; D & F TELEPHONE - 65.00; DAKOTA'S BEST COFFEE - 50.00; ETHANOL PRODUCTS - 286.69; FIRESIDE OFFICE PRODUCTS - 400.00; FLADELAND MECHANICAL, IN - 1,052.00; GRAYMONT CAPITAL INC - 12,446.47; HERTZ MASONRY INC - 1,685.00; HIT, INC. - 262.50; ILD CORP. - 4.68; KADRMAS, LEE & JACKSON, - 2,783.62; MANDAN KIWANIS CLUB - 130.00; MANDAN PARK BOARD - 104,927.29; MANDAN PLUMBING & HEATIN - 104.00; MORTON COUNTY AUDITOR - 6,655.28; MORTON COUNTY SHERIFF - 27,465.92; ND TRAFFIC SAFETY SERVIC - 150.00; PHAT BROTHERS BAKERY, IN - 785.00; PRESORT PLUS - 4,262.75; RENNER'S LAWN

SPRINKLING - 352.00; TODD'S TREE & STUMP REMO - 300.00; TOMAN ENGINEERING CO - 3,606.50; VAULT1440, LLC - 1,875.00; BISMARCK PUBLIC SCHOOL - 50.00; BISMARCK PUBLIC SCHOOL - 50.00; MONTANA-DAKOTA UTILITIES - 32,244.83; ADVANCED ENGINEERING SVC - 29,462.72; AT & T - 761.57; BALABAN LAW OFFICE - 1,500.00; BEAVER CREEK TREE SERVIC - 650.00; BISMARCK PUBLIC SCHOOL - 0.00; COMPANION LIFE - 10.00; COMPUTER PROFESS UNLIMIT - 93.00; DAKOTA MEDIA ACCESS - 9,704.00; FETZER ELECTRIC, LLC - 23,393.74; FORT DEARBORN LIFE - 1,819.27; GLASS/THOMAS J. - 1,500.00; HDR ENGINEERING, INC - 3,983.86; INTERSTATE ENGINEERING - 647.50; KELSCH KELSCH RUFF & KRA - 4,000.00; MILLER/NICHOLAS - 500.00; MISSOURI VALLEY PETROLEU - 10,361.86; MY GOV, LLC - 1,050.00; ND PERS - 111,686.62; RAZOR TRACKING - 450.00; WEBQA INC - 3,780.00; WEISZ & SONS INC - 39,922.13; ZIEGLER/BARBARA - 100.00; WELLS FARGO COMMERCIAL C - 163,501.62; A-1 TREE SERVICE - 600.00; ARMSTRONG SANIT & ROLL O - 80,093.92; BANK OF NORTH DAKOTA - 2,308,328.65; BEAVER CREEK TREE SERVIC - 1,100.00; BIS-MDN TRANSIT BOARD - 478.21; BROOKE/PATRICK - 100.00; BUFFALO CONCRETE LLP - 9,800.00; BURLEIGH COUNTY - 97,953.73; CBI BUSINESS SERVICES - 8,151.16; CROWLEY FLECK PLLP - 4,500.00; CUSTER DISTRICT HEALTH U - 1,075.00; DAKOTA PROMOTIONS & PRIN - 708.00; DAKOTA SANITATION, INC - 33,341.95; ETHANOL PRODUCTS - 1,796.78; FETZER ELECTRIC, LLC - 373.47; FLECK & SONS CONCRETE IN - 4,650.22; FOUR SQUARE CONCRETE LLC - 2,845.50; HIT, INC. - 75.00; HOLTER/DEBORAH - 35.00; HUBER/ELLEN - 564.41; INFORMATION TECHNOLOGY D - 680.10; INTERGOVERNMENTAL SHOP - 8,848.00; JACOBCHICK/JOSHUA - 1,200.00; JACOBSEN/CARL - 35.00; KADRMAS, LEE & JACKSON, - 97,318.47; MANDAN AIRPORT AUTORITY - 956.50; MANDAN MUNICIPAL COURT - 1,864.00; MANDAN PARK BOARD - 9,500.00; MARINER CONSTRUCTION INC - 22,000.86; MARKWED EXCAVATING INC - 108,520.00; MISSOURI VALLEY PETROLEU - 8,909.72; MISSOURI WEST WATER SYST - 87.83; MORTON COUNTY AUDITOR - 56,500.00; MORTON COUNTY RECORDER - 39.00; MORTON MANDAN PUBLIC LIB - 18,903.38; ND BUILDING OFFICIALS AS - 215.00; ND DEPT OF TRANSPORTATIO - 109,843.76; ND STATE DEPT OF HEALTH - 320.00; ND TRAFFIC SAFETY SERVIC - 60.00; NORTHERN IMPROVEMENT CO - 13,887.63; ONE CALL CONCEPT INC - 241.30; PHAT BROTHERS BAKERY, IN - 625.00; SCHMIDT/TRAVIS - 79.99; SKEELS ELECTRIC CO - 17,100.00; SOUTHWEST AG, INC. - 61.25; STANTEC CONSULTING SERVI - 11,988.50; TODD'S TREE & STUMP REMO - 2,200.00; WEHRI/RADEANNA - 400.00; YOUNG/AGLAE - 114.00.

2. *Consider road closure request of 15th Street NW, adjacent to Mandan Golden Age Services Senior Center*
3. *Consider authorization to offer for public sale a 1993 Pierce fire truck.*
4. *Consider road closed to through traffic request at 3rd Street NE, adjacent to St. Joseph Church.*
5. *Info item, change orders for Wastewater Treatment Facility Optimization project to extend final project completion.*

Commissioner Rohr moved to approve the Consent Agenda items 1 through 5 as presented. Commissioner Laber seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

H. OLD BUSINESS:

1. *Consider appointing committee members to the Off Highway Vehicle (OHV)*

Committee to update the city ordinances regarding these vehicles. Deputy Chief Bier presented a request to appoint committee members to the Off Highway Vehicle Committee to update the City Ordinances regarding these vehicles. He said that at the Commission meeting held on August 2, 2016, it was approved to form a committee to review and update the Off Highway Vehicle Ordinances that would also include snowmobiles and golf carts. The City advertised for seven days to the public that the committee was being formed and solicited interested people to contact the Police Department. Four individuals expressed interest in serving on the Committee: Dana Aitchinson of Open Road Honda; Steve Pletan with Action Motor Sports; Karl Liepitz – Mandan citizen; and Craig Ohlhauser – Mandan citizen. Deputy Bier recommended that these four Mandan residents, as well as himself, be appointed as the committee members to the Off Highway Vehicle (OHV) Committee. Mayor Helbling stated that the individuals who came forward all have an interest in OHV, thus it would have been ideal to also have a non-OHV linked resident on the committee. Deputy Bier commented that he is looking forward to the knowledge of the safety of the OHV and the manufacturing recommendations that the committee members have due to their business relations with these types of vehicles. Commissioner Braun suggested that the committee look into what other communities around the nation have in place for a similar policy.

Commissioner Rohr moved to approve the OHV Committee consisting of Dana Aitchison, Steve Pletan, Karl Liepitz, Craig Ohlhauser, and Deputy Jason Bier. Commissioner Davis seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

I. NEW BUSINESS:

1. *Consider approving the Resolution creating district, approving Resolution approving Engineer's Report, approving Resolution approving Plans and Specifications, approving Resolution determining sufficiency of petition, approving feasibility report and Resolution directing advertisement for bids for Street Improvement District No. 207, Project No. 2016-20 (8th Ave NW north of 27th Street NW).* Justin Froseth, Planning & Engineering Director presented a request to create and allow the assessments of specials related to, authorize the required paperwork for the requested project, and allow for the project to be bid. This project is at the Eagle Ridge Development east of Mandan Middle School. He said the developer is requesting that the City allow the special assessment of street costs to the benefitting properties for the development of 8th Avenue Northwest.

The approach to this street design for assessment district approval is fundamentally different from the typical requests because the section planned is rural. He recommended approval of this rural section for this specific corridor for the following reasons: (i) this corridor may be a collector road of the functional classification system. It would be eligible for federal funding in the future when higher traffic demands warrant a more robust section. The process used to select projects for federal funding consideration looks more favorably upon improving an existing roadway than it does building an all new roadway; (ii) This road would serve as a secondary access to the Eagle Ridge development. It would also relieve the congestion and conflicts with the Middle School,

and would most likely not be pursued by the developer if required to be a full urban section roadway; (iii) The only two connections to this roadway would be on the north end which would be in and out of the development and the access road to the city's lift station on the east side. There is no plan at this time to have on-street parking within this segment. There currently is no plan to reconstruct 8th Avenue, south of 27th Street that is in need of repairs. In its current state it needs to be reconstructed. The City has applied for this to be considered for federal funding given the collector nature of this roadway. It has not been selected as a Transportation Improvement Program (TIP) project yet. Director Froseth said that the engineer's estimated cost of the project would be about \$331,361.95, engineering and administration will add \$115,976.68, bringing the total to about \$447,338.63. This would be entirely special assessed to the developer and eventually to the benefitting properties. They will not be adding any water and sewer lines under 8th Avenue. The master plan has listed 1806 Corridor as the source for water and sewer for development in that area. Director Froseth recommended approval of the project.

Commissioner Laber moved to approve the Resolution creating district, approve Resolution approving Engineer's Report, approve Resolution of Plans and Specifications, approve Resolution determining sufficiency of petition, approve feasibility report and approve Resolution directing advertisement for bids for Street Improvement District No. 207, Project No. 2016-20 (8th Ave NW north of 27th Street NW). Commissioner Davis seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

2. *Consider approving the Resolution approving Plans and Specifications, approving Resolution determining sufficiency of petition and approving Resolution directing advertisement for bids for Water & Sewer Improvement District No. 62, Project No. 2016-17 (Collins Avenue).* Justin Froseth, Planning & Engineering Director presented a request to create and allow the assessments of specials related to, authorize the required documents for the requested project, and allow for the project to be bid. This was discussed at a previous meeting in June. He said the engineering office was approached by Toman Engineering who has been working with the property owners in this district to come up with a plan to better serve these properties with a sanitary sewer main. In discussing the options with the project engineer and the benefitting properties in the district, it was concluded that this sewer main would benefit the City and the property owners at the same time. In allowing this district and its subsequent project, the new sewer main would be more accessible to both the lots and the City when there is a need to maintain a fix. It would reduce the potential for other utility conflict during service installation and it would eliminate the need to remove Collins Avenue roadway surface for future installation or fixes. The service lines do need to extend a significant distance across Collins Avenue to tie into the nearest sewer main. This project will make it easier for those properties to access the service lines. The estimated cost of the project is \$52,962.50; engineering and administration will add \$18,536.88, for a total project cost of \$71,499.38. These items will be entirely special assessed to the benefitting properties. There are four lots within this special assessment district and that will be approximately

\$17,874.85 per lot in specials. Consistent with most street projects, the assessment period will be for 15 years. The owners of those four lots have signed their petition not to protest.

Commissioner Rohr moved to approve the Resolution approving Plans and Specifications, approve Resolution determining sufficiency of petition and approve Resolution directing advertisement for bids for Water & Sewer Improvement District No. 62, Project No. 2016-17 (Collins Avenue). Commissioner Laber seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

3. *Update regarding Growth Fund (MGF) finances and procedures.*

Ellen Huber, Business Development and Communications Director provided an update on the level of funding available in the Mandan Growth Fund (MGF) to assist in providing best guidance to future applicants. At the MGF meeting on August 11, 2016, the Mandan Committee reviewed the financial statement ending July 31, 2016. The balance for undesignated economic development projects is \$93,259.96. Director Huber explained the potential future revenue and expense streams for the fund:

Revenue Impacts

- ~ A Carter Chiropractic loan has a balloon payment of \$46,249 due January 1, 2017.
- ~ Loans approved for the local share of PACE and Flex PACE interest buy-downs will be repaid in the future in order to replenish the fund. The first of these payments will begin in mid-2017.
- ~ If City Business Development and Communications Department O & M costs remain similar in 2017 to the 2016 level, approximately \$50,000 (of the \$250,000 annual allocation) will be added to the economic development project line item January 1, 2017.
- ~ The MGF Committee requested an increase in annual funding for the Growth Fund to \$350,000 for 2017, as compared to the current funding level of \$250,000, which has been in place since the 1% local sales tax was approved in 1991. This would add another \$100,000 for economic development projects, if approved as part of budget discussions.

Expense Impacts

Applications are pending review for \$90,000 for storefront improvement projects and about \$375,000 for Flex PACE interest buy-downs within the next six months. This does not include restaurants and those dollars have been set aside.

Business Development and Communications Director Huber offered the following recommendations with regard to fund management and future procedures discussed at the last MGF meeting:

- 1) The MGF should retain unallocated funds for projects where assistance beyond a repayable loan is warranted. Examples would include forgivable loans for storefront improvement projects, retail incentives, or projects offering public benefits that merit an interest buy-down with the local share structured as a forgivable loan or at 0% interest.

2) The MGF should consider removing an earmark on any funds not approved for specific projects under the Memorial Highway Storefront Improvement Program that has not been allocated to a specific project as of December 31, 2016. This line item currently has \$140,000 in uncommitted funds. These dollars could be moved to the overall economic development projects column. The program could remain available but without guaranteed funding, recognizing it would compete with other programs and projects with applicants.

3) Any amounts approved for interest buy-down under Bank of North Dakota PACE and Flex PACE programs could be paid annually rather than upfront and placed in escrow at the BND. There is a net present value discount for paying it upfront but it is not significant.

4) The MGF and City of Mandan Business Development Department should collaborate with the Lewis and Clark Regional Development Council for the sourcing of funds for the local share of standard projects applying for a Bank of North Dakota Flex PACE interest buy-down. Director Huber explained that a motion of City Commission support would be needed if the source were to be the ND Opportunity Fund, another revolving loan fund managed by the LCRDC. This is because the funds were allocated to a consortium led by Mandan with 37 other participating municipalities.

Director Huber said that the MGF did not take specific action with regard to the recommendations outlined. She said she would take any recommendations from the City Commission regarding this to the next meeting scheduled on August 29, 2016. There were no comments from the Commissioners. Mayor Helbling stated this item does not require any further action at this time.

4. *Consider Growth Fund Committee recommendations:* Ellen Huber, Business Development and Communications Director presented the following:

(i) *Un-committing funds for Gramma Brauns, Inc. (dba Classic Rock Coffee) interest buy-down.* This business is new to the community. Gramma Brauns, Inc., (dba Classic Rock Coffee), received approval from the City Commission at a previous meeting in December, 2015, with the local share toward a Bank of North Dakota Flex PACE interest buy-down. The local share was approved as a repayable loan in the amount of \$9,448.20. The owners Kevin and Kim Ressler along with Steve Fergel have indicated in e-mail correspondence that they paid off their loan that was subject to the interest buy-down. The Mandan Growth Fund reviewed the situation at its last meeting and recommended that funds committed to this buy-down be uncommitted and returned to the overall fund for economic development for other projects. The Growth Fund balance as of July 31, 2016 for undesignated economic development projects is \$93,259.96. The action will increase this balance to \$102,708.13. The MGF voted to recommend that funds previously committed to Gramma Brauns be uncommitted.

Mayor Helbling said that City Attorney Brown did not attend the last Mandan Growth Fund meeting and he is not at this meeting tonight to offer advice. He inquired if Attorney Brown has reviewed the documents for legal purposes? Director Huber replied that she does not believe Attorney Brown has had the opportunity to review the documents. However, he has been apprised of this situation as it was discussed at the last

three MGF Committee meetings. She stated she is not aware of any legal intricacies with any of the projects brought forward this evening. If the City Commission wishes to discuss concerns now or in the future, that would not be a problem. Mayor Helbling stated he does not believe there is any legal impact to this matter. Director Huber explained how this does not impact the committed vs. uncommitted funds for this program. She said this money never actually left the fund because that stage of the project was never reached.

Commissioner Braun moved to approve removing the commitment of \$9,448.20 previously approved for an interest buy-down for Gramma Brauns since the owners chose not to obtain longer-term financing for the project. Commissioner Davis seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

(ii) Application by Profloor, LLP (dba Imagine Home Center) for interest buy-down. This business has been in Mandan for about 7 years and has expanded over that time. This company is located on 46th Avenue SE and their plans are to expand to a new location at 4710 19th Street SE to a building being constructed by Flex Family Warehouse. They are requesting financing to assist with that project. The MGF reviewed an application for an interest buy-down of permanent financing for an expansion project utilizing the Bank of North Dakota (BND) Flex PACE program. Financing eligible for a BND interest buy-down totals \$400,000. Of this amount, \$200,000 is for leasehold improvements including construction of an enhanced storefront, retail showroom and shop space. The other \$200,000 is for buy-out of a partner by an employee seeking ownership in the business. Total project financing is \$550,000. The buy-down on the \$400,000 principal with a 10-year term is \$111,561.81 with 65% or \$72,515.15 that would come from BND and 35% or \$39,046.67 required as the local community share.

The MGF voted to recommend approval of the interest buy-down on a principal of \$400,000 with a request that the local share of the buy-down be sought from and favorably considered by the Lewis and Clark Regional Development Council through revolving loan pools established for new and expanding businesses in Mandan. Any Flex PACE buy-down is contingent upon approval of the financing by the lead lender and the Bank of North Dakota.

Commissioner Braun moved to approve the Growth Fund Committee's recommendation of support for the Profloor, LLP, expansion project with a request that the local share of the interest buy-down be deferred to the Lewis and Clark Regional Development Council.

Commissioner Laber seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

(iii) Application by Profloor, LLP (dba Imagine Home Center) for Retail

Incentive. This project is related to the previous discussion and this item pertains to the expansion portion of the project. The MGF reviewed an application for an expansion project, not a rent reduction program. Profloor, LLP is proposing to expand its business in its new location under the name of Imagine Home Center. As noted previously, the company has expanded from selling and installing flooring to covering cabinets, fixtures, lighting and other items needed in home construction and remodeling. This project is an expansion of Profloor, LLP, from an existing 1,200 sf space at 2010 46th Avenue SE to a new location with 4,200 sf at 4710 19th Street SE. The estimated expansion costs are in excess of \$600,000 and the balance is by owner equity. The business has a five-year lease agreement on the new space and the business partners are planning to make modifications to the newly constructed building. They will replace one of the overhead doors with storefront glass and put in a customer door with glass. These modifications and the business signage will require approval of Mandan Architectural Review Commission. The retail showroom will include displays of products sold. The business currently has 9 employees and expects to add 2 to 6 more employees in the next three years.

The rating system for the Retail and Restaurant Incentive Program has 13 different criteria that is conducted by the MGF committee. The average rating by 5 of the 9 MGF members present at the meeting was a 3.8 on a scale of 1 to 5 with 5 being the highest. This score warrants an incentive at $\frac{3}{4}$ of the maximum \$5-psf-rate, equal to \$3.75 psf for a total stipend of \$10,500.

The Growth Fund balance as of July 31, 2016, for undesignated economic development projects is \$93,259.96. Without including other actions recommended at this meeting that affect the MGF balance, if this stipend is approved, the new uncommitted balance will be \$82,759.96. The MGF voted 5-0 to recommend approval of an incentive for expansion of a retail showroom. The incentive rate based on committee scoring is recommend at \$3.75 per sf totaling \$10,500 in assistance over 12 months to begin one month after opening of the new showroom.

Commissioner Laber said she has reservations about the business itself, because its presence has not been well known to the community, even though they say they have been in existence for 7 years. Director Huber commented that the business financials, at the City's request, were reviewed by a third party. This third party reported the business has made year after year, income increases in sales and the income analysis; and they also indicated that they could meet the debt burden. Director Huber said she has viewed their website and other social media relations to the business. Mayor Helbling commented that he was at the MGF meeting and was satisfied with the discussions held with the business owners and he said he believes they have sincere intentions to remain in the community. Their goal is to have a complete showroom similar to ProBuild. They have expanded to new locations previously noting that this is already the third relocation to a larger building.

Commissioner Laber moved to approve \$10,500 as an incentive for Profloor, LLP, payable in 12 equal monthly installments after start of retail operations in the expanded

showroom. Commissioner Braun seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed. Director Huber provided a follow up on the website for Profloor, LLP. It is profloorkitchenandbath.com. Eventually they plan to change their name to Imagine Home Center.

(iv) Application by Pit Masters, LLC (dba Dickey's Barbecue) for Restaurant Rewards sales tax rebate. At a recent meeting the MGF reviewed the first application received under the Restaurant Rewards Program sales tax rebate approved in April, 2016. Restaurant representatives present to answer questions about the application included Randy and Lisa Rhone and Ben and Amanda Zachmeier. The restaurant will be located in the Memorial Square Shopping Center at 4524 Memorial Highway, Suite 103 and the plans are for it will be 2,240 sf of space. The owners have previous restaurant experience and they operate Dickey's Barbecue in Minot, which is a limited service restaurant where customers order at a counter. There will be seating for 50 people. Other sales will occur via take-out orders and off-site catering. The owners plan to apply for a Class F restaurant beer and wine liquor license. The restaurant plans to be open seven days a week from 10:30 am to 10 pm. The owners expect to have 5 full-time and 20 part-time employees. The anticipated opening is December 2016.

The sales tax rebate does not come from any existing revenue but rather forgoes future revenue that will result from the opening and sales that occur at Dickey's Barbecue Pit. Annual sales are estimated at \$1.3 million which would result in an approximate annual rebate of \$13,000 in collections from the 1% local sales tax that is authorized under this program for a projected 5-year benefit of \$65,000. There is no cap on the amount of the rebate, so the restaurant is more successful or less successful, this rebate number could vary. The restaurant ownership group is also applying for the component of the Restaurant Rewards Program that provides for an interest buy-down on financing for the new eatery.

City Attorney Malcolm Brown was not available to attend the Mandan Growth Fund meeting. He has previously drafted a recipient agreement for the sales tax rebate that may take more review and research to be certain it is in agreement with ND Tax Department procedures. The draft agreement is attached. A business incentive agreement is also required. The MGF voted 5-0 to recommend approval of the rebate of the 1% local sales tax for the first five years of operation for Pit Masters, LLC.

Commissioner Laber moved to approve the rebate of the 1% local sales tax for the first five years of operation for Pit Masters, LLC, subject to approval of a sales tax rebate recipient agreement. Commissioner Davis seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

(v) Application by Pit Masters, LLC (dba Dickey's Barbecue) for Restaurant Rewards interest buy-down. This matter is related to the previous item discussed. The

Mandan Growth Fund reviewed an application for an interest buy-down of permanent financing utilizing the Bank of North Dakota (BND) Flex PACE program from restaurant owners Randy and Lisa Rhone & Ben and Amanda Zachmeier. The total project cost for leasehold improvements and purchase of equipment for the restaurant to be located at Memorial Square Shopping Center, 4524 Memorial Highway is \$615,000. Of this amount the owners are financing \$400,000 of the amount on a loan that has a 7-year term. The total interest buy-down is \$58,202.52 with 65% or \$37,831.66 that would come from BND and 35% or \$20,370.86 required as the local community share.

The Growth Fund has set aside for the Restaurant Rewards Program interest buy-downs an amount of \$162,000. If this application for \$20,370.86 is approved the uncommitted balance will be \$141,629 remaining for other restaurant applicants. The money would be provided to the Bank of North Dakota annually.

As adopted by the City Commission in April 2016, the Restaurant Rewards Program allows for the local share of the interest buy-down to be provided in the form of a forgivable loan. The loan will be forgiven in accordance with the amortization schedule for repayment of the loan. If for any reason a restaurant would default on its loan payments, the Bank of North Dakota would cease the interest buy-down. The applicant is also seeking the Restaurant Rewards sales tax rebate. The anticipated date of opening is December 2016. Automatic doors are already installed for each unit of Memorial Square Shopping Center. A business incentive agreement is required because the total assistance if both applications for incentives by Pit Masters, LLC, are approved will exceed \$25,000. The MGF voted 5-0 to recommend approval of the interest buy-down for Pit Masters, LLC, with a local share of \$20,370.86 to be provided as a forgivable loan. Any Flex PACE buy-down is contingent upon approval of a lead lender and the Bank of North Dakota.

Commissioner Braun moved to approve the application for an interest buy-down for Pit Masters, LLC, with a local share of \$20,370.86 to be provided as a forgivable loan. Commissioner Laber seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

5. *Consider the Mandan Airport Authority's 2017 Budget.*

Marc Taylor, from the Mandan Airport Authority, came forward to provide a brief overview of why the Airport Authority would like to maintain the 4% mill levy. In 2009, there were approximately 30 based aircraft at the airport. Now in 2016, there are approximately 90+ aircrafts. Mandan is one of the largest general aviation airports in North Dakota. However, federal funding has dipped from 95% to 90%. At the time of planning for the new runway it was expected that we would have received the 95%, with estimates of \$5 million to build it. However, it ended up costing \$6.7 million. All those factors have been negative to the budget. Most of the funds received are from federal funding. The other change is that the FAA has changed in the last year in that they will not vary their specs. They used to allow state specs but to meet specs now will cost twice

as much for taxi ways because they required the gravel to be imported from Montana. Mr. Taylor strongly recommended the City consider supporting the 4% mill.

Jim Lawler, Airport Manager, presented a request for approval for the Mandan Airport Authority's 2017 Budget. He explained there are 8 sources of income including property tax, jet fuel sales, hangar rent, land lease, spray permits, federal funds, state and local funds. The largest source of revenue comes from property tax and fuel sales. But offset is required due to cost of the product on the fuel sales side. He provided a brief overview of the income and expenses, wages and salaries, fees and service charges, insurances, travel and training, utilities, repairs and maintenance, capital outlay to help with maintenance costs, etc. The Mandan Airport Authority manages the local airport facility. The Airport's five member board is appointed by the City Commission. The Airport is fiscally dependent upon the City because the City Commission levies taxes and must approve any debt issuances. The Airport is reported as a component unit in the City of Mandan's audited financial statements. The City of Mandan will levy the maximum of 4 mills or \$321,848 as requested by the Mandan Airport Authority for the 2017 Budget. The City also provides \$5,600 annually to the Airport for their share of the City's State Aid Distribution revenue from the State of North Dakota. The Airport's Authority Board approved the 2017 Budget at their July meeting. Commissioner Braun stated that as portfolio holder of the Airport Authority he believes the Airport Authority is conscientious about their income and expenses in order to maintain self-service options. He said they do not typically request funding help unless there would be an emergency situation.

Commissioner Braun moved to approve the Mandan Airport Authority's 2017 Budget. Commissioner Davis seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

6. *Consider the appointment of Morton Mandan Public Library Board of Trustees.* Sarah Warneke, Assistant Library Director, presented a request to appoint one City representative and the Board of County Commissioners appoint one County Representative to the Morton Mandan Public Library (MMPL) Board of Trustees. Per the Memorandum of Understanding (MOU) signed by both Commissions, MMPL operates with an equal number of city and county representatives. Since the joint board has equal representation per the MOU both the City and County Commissions should approve MMPL trustee appointments. The MMPL had two positions open as of July 2016; one County and one City vacancy. The positions have been advertised since June using the Library's website, Facebook page, news release and posting within the Library. Two responses were received; one for each. Trustee terms are for a three-year period and may be renewed once, thus serving a total of six years maximum. Letters of interest were received from Linda Ehreth (Mandan) and Robin Doll (New Salem). The MMPL Board of Trustees recommends appointing Linda Ehreth (a Mandan resident for 41 years and has had a library card all those years) to her first term as a new trustee on the Morton Mandan Public Library Board of Trustees. She was appointed to her first term by the

MMPL Board of Trustees at their July 25, 2016 meeting. She will serve July 2016-June 2019.

Commissioner Laber moved to approve the appointment of Linda Ehreth to the Morton Mandan Public Library (MMPL) Board of Trustees to a three-year term effective July 2016 and running until June 30, 2019. Commissioner Braun seconded the motion. Roll call vote: Roll call vote: Commissioner Rohr: Yes; Commissioner Davis: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Helbling: Yes. The motion passed.

J. RESOLUTIONS AND ORDINANCES:

K. OTHER BUSINESS:

1. *Public Communications portion of the Agenda:* Commissioner Braun asked whether the Public Communications part of the agenda will remain or is it to be removed. It has been on the Agenda for the last four years. Mayor Helbling stated he prefers to have the public come to the podium at any time during the meeting rather than waiting until the end of the meeting. He stated that either preference will be allowed, (during the presentation of the item itself, or at the end of the agenda). City Administrator Neubauer stated the Agenda can be adjusted accordingly. No formal motion is needed for this action.

2. *Metropolitan Planning Organization (MPO) Representation:* Mayor Helbling indicated that at the Metropolitan Planning Organization meeting this afternoon it was recommended that a City Commissioner, as an elected official, attend the Metropolitan Planning Organization meetings. If that Commissioner is absent, (such as at the upcoming MPO meeting on Sept. 20th), Commissioner Rohr should attend the meeting in his absence if possible. He also recommended that Justin Froseth, Planning & Engineering Director, attend.

3. *Slide the City:* Commissioner Laber provided a reminder that Slide the City is scheduled for August 27, 2016. She encouraged all residents to attend the event and extended a thank you to all who organize and help with this event.

4. *Wild West Grill Fest:* Del Wetsch, Mandan Progress Organization (MPO) Director, provided a reminder that the 7th Annual Grill Fest is scheduled for the upcoming weekend, August 19-20, 2016 at Dykshoorn Park. He encouraged everyone to attend.

L. ADJOURNMENT:

There being no further actions to come before the Board of City Commissioners, Commissioner Braun moved to adjourn the meeting at 6:48 p.m. Commissioner Laber seconded the motion. The motion received unanimous approval of the members present. The motion passed.

/s/ James Neubauer
James Neubauer,
City Administrator

/s/ Timothy A. Helbling
Timothy A. Helbling,
President, Board of City
Commissioners