
The Mandan City Commission met in regular session at 5:00 p.m. on February 19, 2013 in the Ed “Bosh” Froehlich Room at City Hall, Mandan, North Dakota.

Commissioners present were Van Beek, Rohr, Frank, and Braun. Department Heads present were Finance Director Welch, Police Chief Bullinger, City Attorney Brown, City Administrator Neubauer, Fire Chief Nardello (arrived at 5:12 pm), Business Development and Communications Director Huber, Engineering Project Manager Fettig, and City Assessor Barta. Absent: Commissioner Tibke, and Director of Public Works Wright.

B. APPROVAL OF AGENDA: Commissioner Frank motioned to approve the Agenda as presented. Commissioner Braun seconded the motion. The motion received unanimous approval of the members present.

C. PUBLIC COMMUNICATIONS:

D. MINUTES:

1. *Consider approval of the following minutes from the Board of City Commission meetings held on January 29, 2013 Special Board Meeting w/Morton Co.; February 5, 2013 Regular Board Meeting and February 12, 2013 Special Board Meeting.*

Commissioner Frank moved to approve the minutes from the following Board meetings: January 29, 2013 Special Board Meeting w/Morton Co; February 5, 2013 Regular Board Meeting and February 12, 2013 Special Board Meeting. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed

E. PUBLIC HEARING:

1. *Public Hearing to Consider Property Tax Incentives for New or Expanding Businesses for Diamond Bend Apartments, LLC.* City Assessor Barta reviewed with the Board a request to consider a 100% 2-year tax exemption for a new apartment building pursuant to NDCC 40-57.1 from Diamond Bend Apartments LLC. Notices were published on 1/25/13 and 2/1/13 and there were no objections submitted by competitors. Morton County, Mandan School District and the Mandan Park Board were also notified. The proposal includes underground parking; (54) 2-bedroom, (12) 3-bedroom, and (12) 1-bedroom apartments. It will be located at 4300 21st Street Southeast, Mandan.

Mayor Van Beek announced that this is a public hearing and asked for comments.

Susan Beehler, Mandan City Resident, came forward to speak. She stated she is opposed to the tax incentive request from Diamond Bend Apartments LLC. She said that she considers apartments not as a business, but as homes. There is nothing new about the project of building apartments in Mandan. That is something that occurs all the time. In this case, and according to the Morton County Auditor, the homeowners are picking up the tax exemption tab. Beehler questioned why the City of Mandan is incentivizing apartment dwellers over home ownership? She believes the property tax issue is a problem and if neither the legislature nor the City of Mandan addresses it, it will continue

to be a problem. She stated she would like to see Mandan stop giving tax incentives to apartment buildings stating there is no need to pad the pocket book of apartment developers.

Mark Payne, a developer, came forward and indicated that he had come before this Board previously and provided a brief summary of the project. He mentioned that this is a higher end project. He explained that it is very helpful to a developer to have the 2-year exemption. He stated that the incentives allow him to reduce the rents in order to fill up the property. He reiterated that he prefers to build in Mandan and commented that City Assessor Barta provided a good description of the project. He explained that the tax exemption is ultimately a “deferral” of paying taxes rather than an exemption, stating that the property will be taxed as a \$6 million dollar property and those taxes will eventually be forthcoming after the 2-year period expires.

Commissioner Frank questioned what the anticipated rents were for the units. Payne “guesstimated” \$1,000 to \$1,150 for the 2 bedrooms and \$1,250 for the 3 bedrooms. He stated he has some properties in Fargo with the underground parking and 9 ft. ceiling features, as well as others in Mandan. In Fargo he has done Crossing at Waters Edge which is a similar project to this one. Payne gave a short history of the projects he has in Mandan and Fargo.

Mayor Van Beek again announced that this is a public hearing and asked for any other comments. A final opportunity to come forward to speak was given. Hearing none, this portion of the public hearing was closed.

Commissioner Frank addressed Susan Beehler’s testimony and extended a thank-you to Ms. Beehler for her comments. She stated that the School District and Park District are given the opportunity to protest against these actions, noting that neither entity is present to do so. Since they are not protesting it is assumed that they approve of the exemption request as presented. Commissioner Frank commented on the term “deferral” as alluded to by Mr. Payne. She agreed that essentially it is a deferral for a short period of time and that taxes will be paid after the deferral period ends after two years. Commissioner Frank responded to Ms. Beehler’s concern for the multi-family housing indicating that she feels there is a need for this type of housing in the community. In previous similar actions, the Board has been granting the 2-year 100% tax exemption for such requests and she stated she is in favor of this request as presented.

Commissioner Frank moved to approve the Property Tax Incentives for New or Expanding Businesses for Diamond Bend Apartments, LLC at 100% for a 2-year tax exemption. Commissioner Braun seconded the motion. Commissioner Rohr mentioned that an apartment complex, due to its value, will bring in a higher tax than a single family home. He pointed out that if something is built on there and the city does not collect tax for the first 2 years, (but after that and for the next several years), taxes will be collected. He agreed that it is a deferral. Commissioner Braun noted that it is a slow process. However, it will benefit the Mandan community now and into the future. He mentioned that he concurs with what has been said by Commissioner Frank and Commissioner

Rohr. Commissioner Frank asked about the green-space plans for this project. Mr. Payne provided a blueprint of the structure indicating the green-space and playground backyard areas. It was suggested that the developer commit to a green-space and/or playground area within the project final plan. Payne committed to an area of green-space as depicted on the blueprint plan. (Option A). He stated the completion of the project is estimated for the summer of 2014. City Attorney Brown reminded the Board and Mr. Payne that per policy, there will be a claw-back clause written into the agreement in the event it would be sold to a non-profit.

Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

F. BIDS:

1. *Consider award of bid for Water and Sewer Improvement District No. 60, Project 2012-21(34th Avenue SE & Genoa Court SE). See Resolution No. 1.* Engineering Project Manager Fettig presented a request to award the bid for Water and Sewer Improvement District No. 60, Project 2012-21(34th Avenue SE & Genoa Court SE) to the low bidder, Cofell's Plumbing and Heating in the amount of \$272,600. The engineer's estimate was \$421,276. The project will be paid for by special assessments from the benefiting properties within the district.

Commissioner Frank motioned to recommend the bid award for Water and Sewer Improvement District No. 60, Project 2012-21(34th Avenue SE & Genoa Court SE) to Cofell's Plumbing and Heating in the amount of \$272,600. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

2. *Consider awarding bid for 2013 Utility Backhoe to RDO Equipment Co. of Bismarck.* City Administrator Neubauer presented a request to award the bid for a 2013 Utility Backhoe to the low bidder, RDO Equipment Co. of Bismarck in the amount of \$72,800. He recommended the bid award to RDO Equipment as presented. Commissioner Frank inquired if leasing would be an option. Neubauer replied that leasing options are considered. Since the old backhoe has been in use since 2002, Public Works recommended an outright buy on this equipment. There is a 5-year warranty on this equipment.

Commissioner Rohr moved to approve the bid award for a 2013 Utility Backhoe to the low bidder, RDO Equipment Co. of Bismarck in the amount of \$72,800. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

3. *Consider awarding bid for 2013 Utility Pickup to Kupper Chevrolet, Mandan.* City Administrator Neubauer presented a request to award the bid for 2013 Utility Pickup

to the low bidder Kupper Chevrolet, Mandan in the amount of \$19,322. He recommended the bid award to Kupper Chevrolet as presented.

Commissioner Rohr moved to approve the bid award for 2013 Utility Pickup to the low bidder Kupper Chevrolet, Mandan in the amount of \$19,322. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

G. CONSENT AGENDA

1. *Consider approval of monthly bills.* ADVANCED BUSINESS METHOD - 280.00; ADVANCED ENGINEERING SVC - 4,243.13; AMERIPRIDE LINEN & APPAR - 101.12; BIS MAN DEVELOPMENT ASSO - 35.00; BIS-MAN CONVTN & VISITOR - 5,289.08; BOILER INSPECTION PROGRA - 180.00; BOWERS EXCAVATING, LLC - 3,560.00; BROWN & SAENGER, INC. - 218.09; CBI BUSINESS SERVICES - 49.00; CENTURYLINK - 1,709.36; CNA SURETY - 50.00; D & E SUPPLY COMPANY INC - 154.76; EIDE BAILLY - 10,000.00; ENTZEL TRUCKING - 1,265.00; GREATER NORTH DAKOTA CHA - 59.00; HACH COMPANY - 1,440.84; HOLTER/DEBORAH - 35.00; HUB INTERNATIONAL OF ND - 94,994.00; INLAND TRUCK PARTS - 2,320.08; JACOBSEN/CARL - 35.00; KADRMAS, LEE & JACKSON, - 853.84; L-TRON CORPORATION - 587.40; MANDAN PARK BOARD - 100.00; MIDCONTINENT COMMUNICATI - 4,976.24; MISSOURI VALLEY PETROLEU - 888.81; MOOS/GREGORY - 43.64; MOR-GRAN-SOU ELECTRIC CO - 10,719.58; MORTON COUNTY AUDITOR - 27,251.31; MORTON COUNTY TREASURER - 591.69; MVTL LABORATORIES, INC - 56.00; ND CHIEFS ASSOCIATION - 70.00; ND STATE DEPT OF HEALTH - 320.00; ND WATER & POLLTN CONTRO - 130.00; ND YOUTH CORRECTIONAL CE - 1,139.00; NDACO RESOURCES GROUP - 1,365.39; OK TIRE STORES - 405.35; PAHLKE STEEL, INC. - 43.20; PRAXAIR - 550.00; PREBLE MEDICAL SERVICES - 50.00; RHI SUPPLY REFRIG. HEATI - 121.12; SANFORD BISMARCK - 24.85; SCHLOSSER EXCAVATING INC - 390.00; UNIFORM CENTER & EMBROID - 166.96; VERIZON WIRELESS SERVICE - 240.08; WELLS FARGO BANK MINNESO - 10,660.78; WINKS/LOREN K - 35.00; MONTANA-DAKOTA UTILITIES - 9,818.62; ACE 24 HR TOWING - 95.00; ACS - 85.00; ADVANCED ENGINEERING SVC - 5,090.97; BOERGER, LLC - 290.00; D & F TELEPHONE - 30.00; DAKOTA COMMUNICATION SVC - 164.10; DAKOTA FIRE STATION INC - 81.00; DAKOTA FLUID POWER INC - 50.66; DIRK PLUMBING & HEATING - 300.00; FIRESIDE OFFICE PRODUCTS - 270.95; GEORGE STROH TRUCKING IN - 1,842.50; JIM POMARLEAU CONST. - 60.00; LILLIS ELECTRIC INC. - 136.90; MANDAN PARK BOARD - 153,329.30; MORTON COUNTY AUDITOR - 343.55; ND MUNICIPAL JUDGES ASSN - 50.00; NEWTON/SCOTT & ROMA - 375.00; POST BOARD - 45.00; R K ELECTRIC - 1,704.13; VOGELPOHL/STEVEN L - 15,281.83; WOODMANSEES INC - 13.70; AT & T - 663.16; CENTURYLINK - 5,875.37; MONTANA-DAKOTA UTILITIES - 53,474.78; AT & T MOBILITY - 448.82; BALABAN LAW OFFICE - 1,500.00; CENTURYLINK - 147.01; COMPANION LIFE - 10.00; DAKOTA MEDIA ACCESS - 6,658.08; EVIDENT

CRIME SCENE PROD - 652.00; GLASS/THOMAS J. - 1,500.00; KELSCH KELSCH RUFF & KRA - 4,000.00; MANDAN MUNICIPAL COURT - 2,013.44; MANDAN PARK BOARD - 1,500.00; MILLER/CASEY - 611.59; MISSOURI VALLEY PETROLEU - 19,294.83; NORTHERN IMPROVEMENT CO - 54,635.76; POSTMASTER - 2,300.00; PREBLE MEDICAL SERVICES - 30.00; UNITED STATES GEOLOGICAL - 2,500.00; FORT DEARBORN LIFE - 362.87; ND PERS - 82,905.69; ND SECRETARY OF STATE - 36.00; HARMON, ANGELA - 240.00; MONTANA-DAKOTA UTILITIES - 8,517.61; A & B PIZZA INC. - 89.59; ADVANCED BUSINESS METHOD - 149.51; ADVANCED ENGINEERING SVC - 2,011.20; AGRI DRAIN CORPORATION - 159.74; AIRE MASTER OF ND - 70.00; AMERICAN WELDING SUPPLIE - 24.18; AMERIPRIDE LINEN & APPAR - 71.36; ARMSTRONG SANIT & ROLL O - 39,304.24; ARROWHEAD CLEANERS & LAU - 613.85; BANK OF NORTH DAKOTA - 382,323.76; BAR BEE CARPET CLEANING - 298.00; BIS MAN DEVELOPMENT ASSO - 70.00; BIS-MAN AREA CHABR OF CO - 5,000.00; BIS-MAN CONVTN & VISITOR - 3,497.33; BIS-MDN TRANSIT BOARD - 30,340.34; BISMARCK POLICE DEPARTME - 599.96; BISMARCK TRIBUNE/THE - 1,693.41; BLACK BOX NETWORK SERVIC - 57.50; BOBCAT OF MANDAN INC - 580.29; BORDER STATES INDUSTRIES - 468.01; BROWN & SAENGER, INC. - 2,571.19; BROWN/MALCOLM H. - 4,500.00; BULLINGER TREE SERVICE - 1,400.00; BURKART/JAMES - 52.35; BURLEIGH COUNTY SHERIFF - 3,375.20; BUTLER MACHINERY COMPANY - 14,052.87; CBI BUSINESS SERVICES - 6,772.25; CENEX- FUOC BISMARCK-MAN - 7,383.68; CENTRAL DAKOTA FORENSIE - 160.00; CENTURYLINK - 1,709.26; CITY OF BISMARCK - 1,843.58; CITY OF MANDAN - 299.20; COLLECTION CENTER INC - 578.40; COMPUTER PROFESS UNLIMIT - 83.00; CROSS COUNTRY COURIER - 59.15; CUSTER DISTRICT HEALTH U - 1,014.17; D & E SUPPLY COMPANY INC - 1,767.24; DAKOTA COMMUNICATION SVC - 257.60; DAKOTA FLUID POWER INC - 396.59; DAKOTA STAFFING SOLUTION - 128.78; DAKOTA TOWING - 440.00; DIRECTMED - 182.50; DYNATEST CONSULTING INC. - 2,694.33; ELECTRONIC COMMUNCIATION - 132.00; ENTERPRISE SOLUTIONS INC - 7,267.50; ENVIRONMENTAL TOXIITY CO - 275.00; ETHANOL PRODUCTS - 1,171.98; EVIDENT CRIME SCENE PROD - 245.00; FARGO WATER EQUIPMENT CO - 494.47; FBINAA - 225.00; FIRE SAFETY USA - 125.00; GARDINER/LUKE R. - 34.00; GEORGE STROH TRUCKING IN - 495.00; GRAND CENTRAL, INC. - 131.45; GRAY OIL COMPANY - 232.47; GREAT PLAINS FIRE - 158.79; HACH COMPANY - 377.18; HAWKINS INC - 4,023.37; HEWLETT-PACKARD COMPANY - 9,092.51; HUBB SYSTEMS, LLC - 6,557.50; INFORMATION TECHNOLOGY D - 1,552.69; INTERGOVERNMENTAL SHOP - 13,392.02; JOHN'S REFRIG & ELECTRIC - 417.34; KOSTELECKY/EVE - 516.00; KUPPER CHEVROLET INC - 103.47; LILLIS ELECTRIC INC. - 2,905.15; LOWER HEART WTR RESOURCE - 20,000.00; MACS INC - 191.33; MANDAN AIRPORT AUTORITY - 62,942.29; MANDAN FIRE DEPARTMENT - 583.33; MANDAN PARK BOARD - 1,200.00; MANDAN PROGRESS ORGANIZA - 500.00; MANDAN TIRE CENTER - 9,105.84; MARKS HEATING & COOLING - 72.57; MCLEISH/NATHAN - 34.00; MIDCONTINENT COMMUNICATI - 153.66; MIDWAY DIESEL & ELECTRIC - 180.94; MIDWEST BUSINESS SYSTEMS - 242.42; MILLER/CASEY - 404.91; MISSOURI VALLEY

COALITIO - 40.00; MISSOURI VALLEY PETROLEU - 879.67; MISSOURI WEST WATER SYST - 42.19; MOR-GRAN-SOU ELECTRIC CO - 10,842.55; MORTON COUNTY AUDITOR - 171,721.11; MORTON COUNTY RECORDER - 26.00; MORTON MANDAN PUBLIC LIB - 126,703.10; MOTION INDUSTRIES - 65.80; MVTL LABORATORIES, INC - 77.00; NALCO CHEMICAL CO - 1,402.96; NAPA AUTO PARTS - 150.29; ND CLERK'S OF COURT ASSO - 60.00; ND DEPT OF TRANSPORTATIO - 449.91; ND STATE DEPT OF HEALTH - 320.00; ND SURPLUS PROPERTY - 36.00; ND WATER & POLLTN CONTRO - 40.00; NELSON LEASING INC DBA - 422.68; NORTH DAKOTA LIVING - 1,297.50; NORTHERN PLAINS HEATING - 50.00; O'REILLY AUTOMOTIVE, INC - 51.82; ONE CALL CONCEPT INC - 51.25; PRAXAIR - 193.29; PREBLE MEDICAL SERVICES - 491.00; PRESORT PLUS - 740.56; PRO BUILD COMPANY - 15.22; R AND F LDSCPNG & HAULIN - 2,446.25; RAILROAD MANAGEMENT CO I - 265.74; RAILWAY CREDIT UNION - 10,000.00; RED WING SHOE STORE - 752.46; ROUGH RIDER INDUSTRIES - 181.40; RUNNING'S SUPPLY INC - 2,755.88; SANFORD BISMARCK - 60.25; SCHLOSSER EXCAVATING INC - 7,430.00; SCHWAN BUICK GMC CADILLA - 489.22; SIEMENS INDUSTRY, INC - 1,656.78; SOUTH CENTRAL CRIME CONF - 25.00; STAN PUKLICH CHEVROLET I - 124.06; STEIN'S INC - 262.16; SWANSTON EQUIPMENT CORPO - 1,702.31; TITAN MACHINERY INC - 99.76; TOMAN ENGINEERING CO - 1,101.25; TYLER TECHNOLOGIES, INC - 192.15; UNIFORM CENTER & EMBROID - 111.92; UNITED PRINTING INC - 783.22; URS CORPORATION - 2,496.85; VERIZON WIRELESS SERVICE - 3,953.65; VISION TECHNOLOGY INC - 300.00; VOGELPOHL/STEVEN L - 18,843.32; WARREN'S LOCKS AND KEYS - 942.75; WASTE MANAGEMENT OF ND, - 27,247.21; WEHRI/RADEANNA - 450.00; WELLS FARGO REMITTANCE C - 14,379.67; WESCO DISTRIBUTION INC - 870.00; WILLIAMS/WARD - 34.00; WILMETH/BRENT - 80.73; WOODMANSEES INC - 46.35. The Board approved of the monthly bills.

2. *Consider approval of games of chance for Ducks Unlimited at Best Western Seven Seas on March 20, 2013.* The Board approved of games of chance for Ducks Unlimited at Best Western Seven Seas on March 20, 2013.

3. *Consider annual leave payout for Planning & Engineering administrative assistant Nancy Moser.* The Board approved of annual leave payout for Planning & Engineering administrative assistant Nancy Moser.

4. *Consider the following abatements/exemptions:*

ii. *Disabled Veteran Exemption:*

a. *Edward Lech*

iii. *Homestead Credit Exemptions:*

a. *Darlene Berger*

b. *Kathleen Mosbrucker*

c. *Raymond Vetter*

d. *Betty Wolfe*

iv. *Street Appraisal:*

a. *Snezana Kaufmann*

b. *Perry Kupfer*

c. *L. Vollmer*

The Board approved of the abatements/exemptions as listed for 4(ii-iv).

Commissioner Frank moved to approve the Consent Agenda excluding Item No. 4 (i)(a) & (b), which were removed for discussion. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

REMOVED FOR DISCUSSION:

No. 4. Consider the following abatements/exemptions:

i. Assessment Value Removed:

a. Diversity Homes – 4006 Bayport Pl. SE

b. Diversity Homes – 4120A Bayport Pl. SE

Commissioner Frank indicated that assessments were recently reviewed for this area because of the water and pipeline. She questioned how the infrastructure costs will be assessed. She also questioned how the property owners are notified of their obligation in regards to the assessed value of the lot that is being shared and how maintenance is handled. City Assessor Barta replied that one owner has 1/9th and another owner has 1/7th. If they would not be maintained they would be special assessed to either the 1/9th or the 1/7th. This is an area that provides water access. It is not large enough to store a boat.

Commissioner Frank moved to approve to remove value off of this lot due to it being a common area of access to other lots and is assessed with other parcels #10327 through #10332 of Lakewood Harbor 5th Addition & parcels #10615 through #10617 of Lakewood Harbor 6th Addition. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

Commissioner Frank moved to approve to remove value for 4120A Bayport Pl. SE in 2012 for Diversity Homes Inc. due to it being a common area to other parcels #10320 through #10326 and is now assessed with those parcels. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

H. OLD BUSINESS:

I. NEW BUSINESS:

1. Receive Bismarck-Mandan Development Association reports: Russ Staiger provided an overview:

(i) 2013 Mandan Work Plan:

~ BMDA / Commission Communications to include in person summary of activity of three regularly scheduled commission meetings to present the following: Annual Report, BRE Report; Industrial Activity Report, Retail Activity Report, Retail Activity Update,

Site Inventories; Industrial Activity Update; Hold bi-monthly meetings between BMDA, City Administrator, and Business and Development Director & Communications Director.

~ Industrial, Retail and Office Park Development Site(s) to include monitoring the availability of property for industrial, office and retail uses.

~ Business Attraction and Marketing Program

~ Business Retention & Expansion Program

~ Mandan Tomorrow to include participation in and act as staff liaison for the Economic and Prosperity Committee

(ii) 2012 Business Retention and Expansion Program

~ MVP: New HQ

~ Wenck: Building purchase to accommodate growth

~ Bakken Impact

~ Walmart

(iii) 2012 Annual Report.

~ New Business Activity

~ Business Retention and Expansion

Commissioner Frank questioned the polls of availability of employees and the quality of the employees. Staiger replied that there is work in progress with the colleges to provide suitable training programs for those who want to change a career and for those who want to start a career. He stated that the work force has been growing gradually in Bismarck-Mandan. Regarding the quality of employees, Staiger said that when new employers look at a community, we go back to job services to get a better sense of numbers of what is available. We then go back to that company with the job service information in order for them to try to recruit them. We also have to look at what is happening in the state. He stated he feels that we are missing a pool of workers – the Native Americans who live on the reservations.

Commissioner Frank inquired what is needed for BMDA from the City of Mandan.

Staiger replied that cooperation with City staff is always beneficial. Mayor Van Beek asked Staiger for recommendations on how to not pull the plug on any opportunity to bring in, for example, a big-name restaurant while not raising property taxes. Staiger recommended that consideration should be given on a case-by-case basis because circumstances are so variable. Mayor Van Beek concurred with the recommendation.

2. *Introduction of new employees:* (i) Engineering Project Manager Kim Fettig introduced Matthew Saylor, Engineering Technician in the Engineering and Planning Department; (ii) Police Chief Bullinger introduced Nicholas Hinze, a new Police Officer; and (iii) City Assessor Barta introduced Carolyn Reisenauer, a new employee, as an Inspections/Assessing Tech.

3. *Consider agreements for the sale and development of Collins and Main parcels with Dakota Commercial Development.* Business Development and Communications Director Huber reviewed with the Board the agreements drafted by City Attorney Brown for the sale and development of Collins and Main parcels with Dakota Commercial Development. In January 2013 the Board provided direction to staff to negotiate agreements with Dakota Commercial and Development Company for the purchase and redevelopment of city-owned property located at the intersection of Collins Avenue and Main Street. The decision was based on offers and building plans received in response to a request for proposals issued in the fall of 2012. Huber summarized the key parameters of the agreements as follows:

- ~ Sales Price - \$1 psf or \$16,250 total with half due upon signing the Purchase Agreement and the balance due at closing.
- ~ Timeline – closing and commencement of construction to occur no later than 9/1/13 with a completion date of 12/31/14.
- ~ Project Scope – A 4-story building with at least 3,000 sf of commercial space at street level and approximately 29 apartments on upper stories.
- ~ Incentives – Anticipate application for 5-years of Renaissance Zone benefits (100% property tax exemption on the structure) for the commercial space and 2-years for the apartments. The land is not subject to any exemptions.
- ~ Claw-back provisions – Restrictions on resale of land or major change in scope of project without City Commission consent – reimbursement of full market value \$162,500 if minimum project goals are not met.
- ~ Enticement to secure one or more businesses for main floor commercial space.
- ~ Fiscal Impact - \$16,250 from the sale of the property plus future anticipated tax revenues of about \$59,000 per year on an approximate \$3 to \$4 million building.

Huber recommended approval of the Purchase and Business Incentive Agreements. Commissioner Frank commented that the land is always subject to taxation so the City will always continue to collect the same level of tax as is currently collected. She stated that she and Development Director Huber reviewed the provisions of the agreements that were explained by Huber and they also reviewed the claw-back provisions.

Commissioner Frank moved to approve the Purchase and Business Incentive Agreements with Dakota Commercial Development Company for the purchase and redevelopment of city-owned properties located at Collins Avenue and Main Street. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

4. *Update on Development of Former Junior High.* Jordan Schuetzle of Yegen Development Corporation presented a summary of events that have occurred with the redevelopment of the former Junior High building. He stated that to date approximately \$400,000 has been spent in the redevelopment of the building. It appears there is more asbestos in the building than was currently thought to be there. The project may cost up to \$5.8 million for the renovation costs. The majority of the investors are located in the Mandan community. The project went to bid on 1/8/13 with a bid coming back at \$7.8

million. Because of higher construction costs, wages, etc., the costs to renovate have exceeded the original estimate. Other options to consider are found under NDCC Title 57 “Exemption on Improvements”. Schuetzle asked about the possibility of requesting an exemption for the improvements being made to the property? If that is possible, an exemption on improvements will remove \$40,000-\$80,000 of the costs. The bank is willing to lend \$4.5 million at this time. He explained how the investors’ monies and the exemption, if granted, would allow for the project to move forward. Additional fund raising will occur. Construction is set to start on 3/15/13.

Commissioner Frank commented on a presentation she attended that was given by Mr. Schuetzle in December 2012 on this matter. She encouraged Mr. Schuetzle to complete an application for tax exemption as it is apparent that assistance is needed. Mr. Schuetzle explained the green-space that is a part of the redevelopment plan.

City Administrator Neubauer stated that this qualifies for a remodeling exemption which can be granted by City Assessor Barta’s office as a remodeling project. He asked how the Commission would like the staff to proceed with this application request.

Commissioner Braun motioned to approve the completion of an application for tax exemption application through the City Assessor’s office as a remodeling project. Commissioner Rohr seconded the motion. The motion received unanimous approval of the members present. The motion passed.

J. RESOLUTIONS AND ORDINANCES:

1. *Consider Resolution Approving Contract and Contractor’s Bond for Water and Sewer Improvement District No. 60, Project 2012-21(34th Avenue SE and Genoa Court SE).* Commissioner Rohr moved to approve a Resolution Approving Contract and Contractor’s Bond for Water and Sewer Improvement District No. 60, Project 2012-21(34th Avenue SE and Genoa Court SE). Commissioner Frank seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Absent; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

K. OTHER BUSINESS

There being no further actions to come before the Board of City Commissioners, Commissioner Frank moved to adjourn the meeting at 6:43 p.m. Commissioner Rohr seconded the motion. The motion received unanimous approval of the members present. The motion passed.

/s/ James Neubauer

James Neubauer,
City Administrator

/s/ Arlyn Van Beek

Arlyn Van Beek,
President, Board of City
Commissioners