

The Mandan City Commission met in regular session at 5:30 p.m. on May 17, 2016 in the Ed “Bosh” Froehlich Room at City Hall, Mandan, North Dakota. Commissioners present were Van Beek, Rohr, Tibke and Braun. Department Heads present were Finance Director Welch, Police Chief Ziegler, City Attorney Brown, City Administrator Neubauer, Fire Chief Nardello, Business Development & Communications Director Huber, Planning & Engineering Director Froseth, Planner Decker, and Building Official Lalim. Absent: Commissioner Laber, Assessor Shaw, and Director of Public Works Wright.

B. APPROVAL OF AGENDA: Commissioner Braun moved to approve the Agenda. Commissioner Rohr seconded the motion. The motion received unanimous approval of the members present. The motion passed.

C. PUBLIC COMMUNICATIONS: Mayor Van Beek invited anyone interested to speak for or against any items on the Agenda to come forward.

Kent Schwartz, a Chiropractor whose clinic is located at 503 East Main Street came forward to speak about Item No. 2 under New Business: “*Consider approval of a request for bids for the sale or lease of the land at 301 E Main Street*”. He also mentioned that he is anticipating celebrating 20 years of practice in Mandan next year. In October 2015 he attempted to get a lease from his present landlord to continue with the lease at his current location, (which has not yet been received). His lease is up August 30, 2016. He said that he started looking for another location (to move to) in January. However, there aren’t many open, adequate spaces in Mandan. He said he tried to secure a lease on the Dollar Store property at 301 East Main prior to all the current action going on with that building. He found out there was no lease on the land. It appears the City has failed to secure a lease on that land since 2006, only the building. Since there was no lease he found out he is not able to secure the land. So now the City is either leasing or selling the land. Dr. Schwartz said he approached City Administrator Neubauer and Business Development and Communications Director Huber about leasing the land and they told him the City would probably do a similar lease as they have in place with Hirsch Floral. Hirsch Floral pays approximately \$260 per month for that space. He would like to secure the 1,500 sq. ft. building to the west side of the Dollar Store building and would like to plan to redo that area as well as do a remodel on the inside for a clinic. He said he has 2 options: (1) Stay where he is and try to get a lease; or (2) Move to another location that he is considering in Bismarck. He would rather stay here in Mandan. He requested the Commission consider the lease option similar to the Hirsch Floral lease arrangement.

Mike Koch came forward to speak stating that he is interested in the sale or lease of the property at 301 East Main Street. He indicated that he is the current landlord for Mr. Schwartz and that there have been options available to renew his lease which runs through August. Mr. Koch stated he is interested in that building at 301 East Main. He indicated that about 20 years ago he tried purchasing the building where the Pizza Ranch is. The City has the lease on that building. He stated that the Architectural Committee at that time did not allow for the buildings to be torn down, cleaned up, or moved back to the proper setback. He does not think setting a price of \$260 for a lease is fair and he

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thinks it should be put up for bids to let someone come in and present a decent product to the City that could go on that property.

A second announcement was made inviting anyone to come forward to speak on the Agenda. Hearing none, this portion of the Public Communications was closed.

D. MINUTES:

1. *Consider for approval the minutes from the May 2, 2016 Board of City Commission Working Session.* Commissioner Tibke moved to approve the minutes as presented. Commissioner Braun seconded the motion. The motion received unanimous approval of the members present. The motion passed.

2. *Consider for approval the Board of City Commission May 3, 2016 regular meeting minutes.* Commissioner Braun moved to approve the minutes as presented. Commissioner Tibke seconded the motion. The motion received unanimous approval of the members present. The motion passed.

E. PUBLIC HEARING:

F. BIDS:

1. *Consider award of bid and approving Resolution Approving Contract and Contractor's Bond for Street Improvement District No. 203, Project 2016-03 (West Hills Estates 4<sup>th</sup> Addition).* Planning & Engineering Director Froseth presented a request to approve an award of bids for Street Improvement District No. 203, Project 2016-03 (West Hills Estates 4th Addition). Three bids were received on 5/10/16 for the project in which Mariner Construction was the low bidder in the amount of \$365,020.62. The Engineer's estimate was \$415,868.40. The bid is 12.3% lower than the engineer's estimate. The Project will be paid for by special assessments from the benefiting properties within the district. The construction cost of the project is \$365,020.60 plus the engineering and administrative cost of \$127,757.22 for a total project cost of \$492,777.84. The special assessments will be assessed to the 19 benefitting lots wherein each lot will receive an estimated \$25,935.68 assessment.

Commissioner Braun moved to approve awarding the bid to Mariner Construction in the amount of \$365,020.62 for Street Improvement District 203 Project 2016-03 (West Hills Estates 4<sup>th</sup> Addition and approve the Resolution approving Contract and Contractor's Bond. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

2. *Consider award of bid and approving Resolution Approving Contract and Contractor's Bond for Street Improvement District No. 206, Project 2016-07 (Big Sky Additions).* Planning & Engineering Director Froseth presented a request to review an award of bids for Street Improvement District No. 206, Project 2016-07 (Big Sky Additions). He stated that on March 1, 2016 the Mandan City Commission approved the Resolution creating district, Resolution approving Engineer's Report,

Feasibility Report, and Resolution of Necessity. On April 5, 2016 the Mandan City Commission approved the Resolution determining insufficiency of protest. On April 19, 2016 the Mandan City Commission approved of the plans and specifications and approved advertising for bids for this project. Two bids were received on 5/10/16 for the project. Mariner Construction was the low bidder in the amount of \$801,935.00. The Engineer's estimate was \$936,197.90. The bid is 14.3% lower than the engineer's estimate. The construction cost of the project is \$801,935.00 plus the engineering and administrative cost of \$280,677.25 for a total project cost of \$1,082,612.25. The special assessments will be assessed to the benefitting lots wherein each unit of cost will receive an estimated \$22,321.90 assessment.

Commissioner Rohr moved to approve awarding the bid to Mariner Construction in the amount of \$801,935.00 for Street Improvement District 206 Project 2016-07 (Big Sky Additions) and approve the Resolution approving Contract and Contractor's Bond. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

3. *Consider the award of bid and a contract for the fabrication and installation of way-finding signs.* Business Development and Communications Director Huber presented a request to consider bids for visitors way-finding sign fabrication and installation. On April 19, 2016, the City Commission approved extending a request for bids for shop drawings, fabrication, permitting, shipping, and installation of multiple vehicular way-finding signs, posts, break-a-way bases, and other incidental work at 24 locations throughout the City of Mandan. The purpose of the proposed signs is to provide direction to visitors for various attractions and destinations, as well as provide a sense of community branding and character. Public notices of the request for bids were published in the Bismarck Tribune on 4/22/16, 4/29/16 and 5/6/16 and in the Mandan News on 4/22/16 & 4/29/16 and also on the City's website and through Quest Data Network. Project consultant Berberich Design previously received tentative approval of the sign package proposal from the ND Department of Transportation with final approval to be given once the package is bid out and the fabricator produces engineered shop drawings that are signed and stamped by a professional engineer. Co-consultant KLJ will be overseeing the sign installation.

Two bids were received by the opening date of 5/13/16 from: (1) Mann Signs, Bismarck, ND at \$79,200 with a bid for the alternate of \$1,022; and (2) Color-Ad, Manassas, VA at \$99,836 with an alternate deduct of \$1,705. The bids are well within the budget for this project. A maximum of \$250,000 was approved for the project from the Visitors Promotion Capital Construction Fund which is generated with the 1% City restaurant and lodging tax for this project. Visitor promotion funds must be used in accordance with NDCC 40-57.3-02 for tourism or the purchase, equipping, improving, construction, maintenance, repair, and acquisition of buildings or property consistent with visitor attractions or promotions. The contract for design and construction administrative services with Berberich Design is for \$55,985 with reimbursable expenses estimated at \$3,200. It is expected that the total project will be less than \$141,007. The

recommendation is to approve the award the low bid submitted by Mann Signs as well as the contract for a total price of \$80,222.

Commissioner Braun moved to approve the low bid submitted by Mann Signs in the amount of \$80,222 with the alteration option and approval of the contract. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

#### G. CONSENT AGENDA

1. *Consider approval of monthly bills.* MONTANA-DAKOTA UTILITIES - 33,574.36; AT & T - 716.45; AYRES ASSOCIATES - 1,468.44; BALABAN LAW OFFICE - 1,500.00; BERBERICH DESIGN - 17,937.50; COMPANION LIFE - 10.00; DAKOTA MEDIA ACCESS - 9,704.00; ETHANOL PRODUCTS - 599.52; FORT DEARBORN LIFE - 1,788.21; FRIESZ/DUANE - 56.00; GLASS/THOMAS J. - 1,500.00; HDR ENGINEERING, INC - 2,457.75; KADRMAS, LEE & JACKSON, - 9,118.83; KELSCH KELSCH RUFF & KRA - 4,000.00; ND PERS - 109,859.85; NELSON AUTO CENTER - 56,748.66; SKEELS ELECTRIC CO - 1,147.50; STANTEC CONSULTING SERVI - 1,464.00; SURE SHRED - 72.15; NDAAO - 400.00; WELLS FARGO COMMERCIAL C - 178,004.79; MONTANA-DAKOTA UTILITIES - 16,443.68; ARMSTRONG SANIT & ROLL O - 46,973.61; BIS-MDN TRANSIT BOARD - 13,078.72; BRIAN HENLEY - 250.00; CBI BUSINESS SERVICES - 7,442.41; CHELSEY RICHTER - 100.00; COMPUTER PROFESS UNLIMIT - 93.00; CROSS COUNTRY COURIER - 75.40; CROWLEY FLECK PLLP - 4,500.00; CUSTER DISTRICT HEALTH U - 1,075.00; DAKOTA SANITATION, INC - 33,346.22; EDLING ELECTRIC INC - 10,107.24; EIDE BAILLY - 11,446.00; FERGUSON WATERWORKS #251 - 37,293.35; FETZER ELECTRIC, LLC - 5,299.65; FLECK/CANDY - 276.75; GEORGE STROH TRUCKING IN - 8,085.00; HAUGEN/JACKIE - 87.20; HUB INTERNATIONAL OF ND - 1,194.00; INFORMATION TECHNOLOGY D - 1,102.60; INTERGOVERNMENTAL SHOP - 6,134.62; ISAKSON/CHARLES - 75.00; KADRMAS/AMANDA - 71.20; MANDAN AIRPORT AUTORITY - 26,157.55; MANDAN MUNICIPAL COURT - 1,876.00; MANDAN PARK BOARD - 5,000.00; MANDAN PARK DISTRICT - 0.00; MARCI GOLDADE - 331.84; MISSOURI WEST WATER SYST - 77.62; MORTON COUNTY AUDITOR - 3,510.10; MORTON COUNTY RECORDER - 16.00; MORTON MANDAN PUBLIC LIB - 63,005.40; MY GOV, LLC - 1,050.00; NALCO CHEMICAL CO - 1,402.96; ND CLE COMMISSION - 25.00; ND STATE DEPT OF HEALTH - 320.00; ND STATE RADIO COMMUNICA - 775.00; OLYMPIC SALES, INC. - 9,200.00; ONE CALL CONCEPT INC - 238.00; PHAT BROTHERS BAKERY, IN - 625.00; PRESORT PLUS - 3,165.82; RAZOR TRACKING - 425.00; SANFORD BISMARCK - 95.00; SECURITY FIRST AGENCY OF - 2,150.00; SEVERIN, RINGSACK & MORRO - 100.00; STARION BOND SERVICES - 5,068,485.49; SUNGARD PUBLIC SECTOR - 4,495.00; ULTRAMAX - 1,074.00; VAULT1440, LLC - 1,875.00; WATER SMITH, INC - 972.80; WEHRI/RADEANNA - 300.00; ZIEGLER/JASON - 500.00.
2. *Consider approval of a correction in 2015 True & full Value for Travis & Debbie Toepke.*
3. *Consider approval of CPM Agreement with NDDOT for Downtown ADA curb ramp replacement.*
4. *Consider temporary closure of Red Wing Drive for soccer event.*
5. *Consider sale of City of Mandan property with an estimated value over \$1,000 by the Public Works Department.*

6. *Consider approval of beer garden and street dance application for Buggies-n-Blues, Wild West Grill Fest and Oktoberfest (all for Mandan Progress Organization).*
7. *Consider approval of beer garden application from the Mandan Eagles Club for the All-School Reunion for Saturday, July 2, 2016.*
8. *Consider approval of Silver Dollar Bar application for beer garden and street dance for June 11, 2016 and July 2-3, 2016.*
9. *Consider approval of site authorization for Horse Race ND from July 1, 2016 - June 30, 2017 at the following: (i) Moscow Bar; (ii) Strawberry Bar.*
10. *Consider approval of Site Authorizations for the Fort Abraham Lincoln Foundation from July 1, 2016 - June 30, 2017 for the following: (i) Lonesome Dove; (ii) Seven Seas (Baymont Inn & Suites); (iii) Midway Lanes.*
11. *Consider approval of the following games of chance: (i) Ryker Wallace Benefit at Roughrider Harley Davidson from June 1, 2016 through August 27, 2016; (ii) Rug Rat Benefit Softball Tournament (Bismarck Cancer Center) at Mandan Softball Complex on June 3, 2016.*

Commissioner Tibke moved to approve the Consent Agenda as presented. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

H. OLD BUSINESS:

I. NEW BUSINESS:

1. *Consider approval of a Fire Code Appeals Board.* Fire Chief Nardello brought before the City Commission a matter wherein he explained that the International Fire Code provides for a Board of Appeals to hear and decide any appeals of orders, decisions, or determinations made by the fire official by a business owner if he should feel the fire official misinterpreted the Code. He said that the International Fire Code requires a Board of Appeals within our jurisdiction and that Board shall consist of five voting members that must be confirmed by the Mandan City Commission. The five member Board should include a design professional, fire protection engineer, industrial safety professional, general contractor, and general industry representative. He said that he has contacted six individuals that fit the categories recommended by the International Fire Code. The recommendations are:

- Design professional – Rich Zittleman, Al Fitterer Architects
- Fire protection engineer – Randy Abels, Rapid Fire Protection
- Industrial safety professional – Jerry Cozzi, Electric Scientific (Jamie Reinholt alternate)
- General Contractor – Brandon Sandberg – Northwest Contracting
- General Industry – Joseph Cox, Bismarck Fire Marshal

Chief Nardello stated that there is a pending appeals meeting scheduled for this week if this Board approves this Appeals Board. Three, possibly four, appeals have been received in the 18 years he has been in this position. The Board of Appeals members have retired over the last 5 years and Rich Zittleman is the only member on the original Board of

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Appeals. This request is to fill the vacant positions on the Board of Appeals (which has always been in place). The recommended individuals came forward as volunteers. City Attorney Brown commented that the Fire Code is very specific about the type of qualifications for this Board of Appeals.

Commissioner Rohr moved to approve the appointments of Rich Zittleman, Randy Abels, Jerry Cozzi, Jamie Reinholt (alternate), Brandon Sandberg, and Joseph Cox to the Mandan City International Fire Code Board of Appeals. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

2. *Consider approval of a request for bids for the sale or lease of the land at 301 E Main Street.* City Administrator Neubauer presented a request for consideration of offering city-owned land at 301 E Main Street for sale or lease. He explained that the City obtained this property (land only) as part of a swap in 2006 from BNSF when the Mandan Farmers Elevator was on the site of the Family Dollar & O'Reilly's Auto Parts. He explained how the property was acquired by BNSF from the Mandan Farmers Elevator that was going through a bankruptcy at the time. There were discussions at that time between the City and BNSF wherein if the City acquired the property they would tear down the elevator. (This was contracted out and it was torn down.) The two individuals interested in the property spoke earlier this evening. The City does not own the building, only the land. The request before the Commission is to either put the property up for sale under a sealed bid process or try to bid out some type of lease arrangement. Thus, whoever would pay the highest dollar for the lease would be considered for the property. The property owned by the City is 17,815 sq. ft. There is a piece of the property on the south part toward the railroad track that is still owned by BNSF and is under lease with the Freidt's. It is believed that the building was built over BNSF property back when it was a lumber store. There are private property owners both on the east and west sides. It is a little different than the Hirsch Floral lease because the Hirsch Floral building is in between public properties on both sides. Therefore, if the City ever wanted to purchase that building they potentially could do that. In this case, there is private property on both sides with a piece of public property in the middle. The recommendation after discussions with City Attorney Brown and Business Development & Communications Director Huber is to offer that property for sale.

Commissioner Rohr summarized that there are two people interested in the property and there appears to be a business difference amongst the two individuals regarding their business arrangement. On the other hand, one of the individuals would like to assume the property and do something with it perhaps by reconstructing the building. Mr. Koch came back to the podium and said he is not necessarily interested in buying the property, but if it does change hands the City should enforce cleanup at or near the premises of the building. He commented that if he is unsuccessful in getting the property and the City gets a lease on it, he is requesting that the inspection department, the fire department and proper parking should all be addressed by the City.

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Commissioner Rohr said that Dr. Schwartz intends to remodel the building to accommodate his business needs. Dr. Schwartz confirmed that his plan is to clean up the premises and expand his business by adding a Health Food Store. He said he has been attempting since October to get a lease. He does not want to keep putting this off because he will lose out on his options. He anticipates that costs of about \$500,000 are needed to put into the renovation of the building. He would rather lease the property than purchase the land. Dr. Schwartz stated he has been working with the Growth Fund and Renaissance Zone Committees as to funding options that may be available.

Commissioner Tibke asked Director Huber if putting out a competitive bid on the full project on the property has been discussed. Director Huber replied that the matter has been discussed with City Attorney Brown and because this property is encumbered with a building that the City does not own it has been a more complex situation than just offering a piece of vacant land for redevelopment for sale. Mr. Schwartz has submitted an application for a Renaissance Zone Storefront Renovation and it has been before the Mandan Architectural Review Commission with plans to submit a revised application with upgraded building materials for consideration at their next meeting. Commissioner Tibke summarized that the Dollar Store owner is retiring and selling the building which she owns and Dr. Schwartz is working with her on leasing or purchasing from her. The issue is that the land needs to be leased or purchased from the City. Commissioner Braun commented that he does not believe the City should be in the business of leasing property. However, there is another City owned property that is in a similar situation that is a form of investment for the City. The question to be determined is, do we keep the land and lease it or do we sell it?

Mayor Van Beek stated that the City owns the land not the building that sits on it with private land on both sides of the land. Commissioner Rohr agreed that the City needs to decide to lease or sell the land. The second decision would be whether we open it up for competitive bids?

Mayor Van Beek stated there is one decision to be made: do we sell it or do we want to rent it, because we have two people interested in the property. Either way the City will have to open it up to be fair to the parties. Since the land is considered to be landlocked, it may be best for the City to sell the property because the City will not be able to do anything on either side of the property. Commissioner Tibke stated that it is the recommendation to sell the property so everyone is afforded an opportunity to bid on it. At the same time, the current owner of the business located in the building, (who also happens to own the building), presumably is planning to sell the building to Dr. Schwartz. But she is leaning towards selling since it is city-owned and we need to be fair to the public.

Commissioner Tibke moved to approve extending an invitation for bid for the sale of city-owned land at 301 E Main Street with a minimum price of \$61,200 or \$3.44 per sq. ft. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: No; Commissioner Van Beek: Yes. The motion passed.

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3. *Consider funding requests from the Mandan Progress Organization Funding Committee.* Del Wetsch, Executive Director of the Mandan Progress Organization (MPO), presented a request for funding from the City of Mandan for the advertising budget in the amount of \$20,000 which would be awarded on a 50% Mandan Dollars and 50% cash basis. Mr. Wetsch said that organizations need to provide criteria of how monies are spent and the impact each event has on the community. He explained how funding needs add to the economic and well-being of the community while increasing the quality of life for the citizens. A formal letter from the MPO was reviewed with a list of 19 applicants for the 2016 Funding Grants requests.

Commissioner Rohr moved to approve the amounts suggested for the organizations as presented by the MPO Funding Committee and approved by the MPO Board of Directors on April 25, 2016. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

4. *Consider the swapping of projects within the Transportation Improvement Program (TIP).* Planning and Engineering Director Froseth presented a request to swap projects within the Transportation Improvement Program (TIP) and forward that endorsement to the Metropolitan Planning Organization (MPO) and Department of Transportation (DOT). He explained that in December 2015 the Engineer's Office presented a list of Urban Roads Program projects for Commission approval. Those projects were those that were proposed to apply for federal funding in the year 2020. The request was submitted to the MPO who in turn forwarded it to the DOT after the MPO had prioritized the projects. The first one on the list was a project to reconstruct the stretch of McKenzie Drive SE between the west side on and off ramps to 46<sup>th</sup> Avenue SE that included installation of traffic signals at the intersection of McKenzie and 46<sup>th</sup> Avenue. As part of the submission, it was noted that if approved, the City would want to look at swapping that project for a similar cost project currently scheduled for reconstruction in 2017, that being 27<sup>th</sup> Street NW. While 27<sup>th</sup> Street NW from 1806 to 8<sup>th</sup> Avenue is in a degraded condition and due for reconstruction, the City does not feel that it is as urgent of a project as the section at McKenzie. The growth in that area of the City has accelerated more than any other parts of the City. Considering the growth in that area and the anticipated opening of the YMCA in 2017, it has been determined that a traffic light is needed at that intersection sooner than later. The DOT has indicated that they would facilitate this request if submitted as long as it doesn't change the dollar amounts programmed. DOT is waiting for an approval of this request so that they can finalize the 2017-2020 TIP.

These two projects are programmed in TIP for similar amounts. Currently, the 27th Street project is programmed to receive \$809,300 in federal funds in 2017 while the McKenzie project is programmed to receive \$1,052,090 in 2020. If the projects are switched around, the City will still only receive the 2017 amount of about \$800,000 for the McKenzie project. However, that should be enough to pay for the majority of this job, even if it does not rise to 80% of the total project. The local share would be paid for by the sales tax fund, city-wide property taxes, and regional special assessments.

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Commissioner Tibke moved to approve the request to swap the McKenzie Drive project within the TIP, year 2020, for the 27<sup>th</sup> Street project within the TIP, year 2017. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

5. *Update on Old Red Trail adjacent to Sports Complex.* Planning and Engineering Director Froseth presented an update on the Old Red Trail project related to the Sports Complex project. He said that at last week's joint meeting with the Parks and Recreation Department, the Engineer's office updated both Commissions on improvements necessary to Old Red Trail in order to satisfy the DOT's concerns about access into the property. The concerns were a result of the traffic impact study done and the recommendation within that study to have a 3-lane roadway in order to dedicate a lane for left hand turns into the property. A substantial project (\$7.5 million) that includes this section is programed in the state's Transportation Improvement Program (TIP) for the year 2020. In order to satisfy the DOT and accomplish a 3-lane roadway in the meantime though, three options were designed for consideration. The 3 options are:

Option 1 - Proceed with an advanced construction option for entire project allowed by ND DOT for construction as soon as planned with reimbursement in 2020. This consists of concrete repairs on Mandan Avenue, widening of Old Red Trail from Mandan Avenue, through the intersection of Collins Ave, and moving north along Hwy 1806 to 27<sup>th</sup> Street. Road work project cost for this is preliminary at \$7,500,000. Project funding is approved in the draft Transportation Improvements Plan by the DOT. The City would need to pay for the project until such time federal/state funds would be available. The state/federal portion would be 90% and local 10%. The \$7,500,000 would be for roadway reconstruction and not utilities.

Option 2 - Proceed with an advanced construction option for a 3-lane roadway from 250' east of the entrance to 16<sup>th</sup> Street through the Collins Avenue intersection to meet ND DOT and federal highway specifications. This would provide the opportunity for future reimbursement from ND DOT and federal highway for 90% of that cost. The estimated cost is about \$4,000,000. This is not including other utilities and as in Option 1 – if looking for reimbursement from federal and state it would need to be constructed to meet their specifications.

Option 3 - Widen the existing Old Red Trail to support a third lane from 250' east of the entrance to 16<sup>th</sup> Street through intersection of Collins Avenue and Old Red Trail. The estimated total cost would be \$500-600k. The issue would be that when the full reconstruct of Old Red Trail might occur, say 2020, this work, other than possibly some sub grade prep work would be blown up. Funding could be through a special assessment district.

The Engineer's office has asked the DOT several questions to understand more about these options such as how often is the advanced construction method used and has federal funding ever not come through when stated? How would the DOT view the opening of

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the complex while the improvements were under contract and perhaps in the middle of construction? We have not received answers to these yet. Some thought has been given to the assessments for each option as outlined:

Option 1 – The City would need to finance the federal and state share until reimbursement becomes available in 2020. The local assessment amount would be on par with the typical amount of assessing such a project which would be half of the 10% local share or 5% of the total project with the other half of the local share funded by the City sales tax fund and city-wide property taxes. Therefore, the assessment amount is expected to be  $\$7,500,000 \times 0.05 = \$375,000$ . Creating the assessment district will take more time and effort and review in order to make sure we fairly include those that benefit and allocate benefit appropriately. An early look at potential properties that may directly benefit includes approximately 200-300.  $\$375,000/200 \text{ properties} = \$1,875/\text{property}$  on average of potential assessments.

Option 2 – This option would be similar if not the same as Option 1. The difference with Option 2 is that there would likely be two periods of assessing. The first assessment period would be when the portion of Old Red Trail adjacent to the park property would be constructed and the second when the remaining TIP project would be constructed. The first assessment amount would likely be near  $\$4,000,000 \times 0.05 = \$200,000$ . If there are 200 properties within district, then  $\$200,000/200 \text{ properties} = \$1,000/\text{property}$  on average assessment. It would take all of 2017 to complete.

Option 3 – This option would not be eligible for federal reimbursement in 2020 thus likely all funded by special assessments. Because of the short-term nature of this simple widening project and the remaining need for the long-term TIP project, our office believes it would be reasonable to drastically reduce the size of this assessment district down to those properties that are directly adjacent to the improvement. If 5 properties within the district, then  $\$550,000/5 = \$110,000$  per property on average assessment. These properties are relatively large and commercial and industrial in nature. These properties are likely to gain the most from this project next to the Sports Complex and the commercial property just east of it. That would have to be taken into consideration when finalizing the benefits and in turn assessment cost allocations of each. This project would bring in road bed material that would benefit the future TIP project and that could be considered within a credit for future assessments needed to construct the TIP project. This could meet the August 2017 opening construction date.

Director Froseth stated that he has contacted DOT regarding the certainty or a guarantee that reimbursement would be there in 2020. The simple answer would be “no”. Congress has passed the federal highway bill for the next five years to fund the transportation bill, and it should come through. The DOT agreed it could not guarantee, but she has never seen a construction project not get their reimbursement when it goes to the respective year.

Finance Director Welch expressed some serious concerns with moving ahead with Options No. 1 and No. 2 due to the availability of funds not being guaranteed and the

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amount to be financed at this time ahead of 2020.

Commissioner Tibke stated she also has concerns about financing for this project. She has been a strong supporter of this project from the beginning. But she has concerns about the management of this project and as far as the roads go and what is affordable as a community. This project was sold to the community at \$22 million. She has concerns of adding these additional costs to the residents on behalf of the Sports Complex project. She approves of moving forward with the project for 2020, but is not in favor of up fronting the project which will more than likely come before this Commission in 2020. She recommended moving forward with Option 3; but since this is a Park Board project, she suggested the Park Board absorb the costs since they paid for the traffic study. The Park Board has stated their project has come in \$1 million under bid so far, so this should be their responsibility or we move forward with special assessments solely to the Park Board land. She recommended that Commissioner Rohr be assigned to communicate that message to the Park Board, along with Administrator Neubauer, and to bring the results of that discussion back to the City Commission.

Commissioner Rohr stated that he concurs with Commissioner Tibke's comments. He said that the amount of money needed for this project is more than was anticipated. It does not show good business management not knowing the costs of the project when it was being presented, and then have that entity come back asking for more money when they have a shortfall. The residents approved the project to pay for at that amount, not add-on's coming in later that affect the taxpayers in that area. Commissioner Braun commented about the funding for Old Red Trail being available in 2020. It may not be; however, that road is badly in need of repairs now. He said he is also concerned about 16<sup>th</sup> Street. Will the residents be assessed twice? He does not recall discussions about who is constructing 16th Street and where that funding will come from. Commissioner Tibke suggested that any roads on the Park District property related to the project should be paid for by the Sports Complex Project and the Park Board. She reiterated that it is not fair to assess additional cost expenses at a later time. She once again noted that there was plenty of time to determine the expenses at the beginning discussions of this project. She requested that the message that is to be delivered to the Park Board by Commissioner Rohr is to apply the \$22 million towards the project and that the Park Board and City move forward together to build a great project. If the Park Board needs to "tighten their belt, they need to tighten their belt."

Director Froseth clarified the location of 16<sup>th</sup> Street where it bisects with the Sports Complex on the west side and commercial property on the east side and will meet up with the existing 16<sup>th</sup> Street. Commissioner Tibke stated there was a discussion on 16<sup>th</sup> Street previously and the Commission instructed the Park Board that the City was unwilling to move forward with that, (or possibly with the utilities), but she recalls there have been discussions with the Park Board about that option. Mayor Van Beek commented that regarding this road, it will benefit all of Mandan. It will promote jobs, increase taxes and many other things for Mandan. He is not opposed to discussing with the Park Board a cost-share situation. However, it should be recognized that all of Mandan will benefit from this project. Commissioner Tibke stated that she is not interested in a

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cost-share of the project. It was a Park Board project driven with a Park Board paid and developer traffic study having been sold to the citizens at a cost of \$22 million.

Commissioner Tibke motioned to approve Option 3, special assessing their project, their land, or they (Park Board) pay for it up front and also that Commissioner Rohr be assigned to work with Administrator Neubauer and the Park Board on this matter and to come back with a recommendation at the June 7, 2016, City Commission meeting.

Commissioner Tibke commented that it is encouraging that Director Froseth indicated the project could meet the August 2017 deadline and the cost share with the state could bring down the overall cost to the citizens in the area so it is a win-win for everyone.

Commissioner Tibke requested the Park Board look at the project and how the bids are coming in under cost; and that they absorb this into their project so the citizens are not paying twice for that cost. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

6. *Consider Request for Annexation and utility service at 2300 14<sup>th</sup> Avenue SE.*

Planner Decker reviewed a letter received from the property owners at 2300 14<sup>th</sup> Avenue SE requesting annexation in order to obtain City utility services. He explained that Albert and Luella Kroh own the property at 2300 14<sup>th</sup> Avenue SE. Some of the properties along 14<sup>th</sup> Avenue SE are in the City and some are not. This piece of property is not in the City but the properties on each side of it are in the City. There are City owned and operated potable water and sanitary sewer lines within the 14<sup>th</sup> Avenue SE areas that have capacity to serve this property. The Krohs are interested in obtaining City potable water service due to the poor quality of their private well. Their on-site wastewater disposal system is functioning properly which has been verified by Custer Health Department, so there is no urgency to convert to a City sanitary sewer service at this time.

Commissioner Rohr moved to authorize staff to prepare an agreement to accomplish annexation and provide city services to the property located at 2300 14<sup>th</sup> Avenue SE.

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

J. RESOLUTIONS AND ORDINANCES:

1. *Consider Resolution Authorizing Issuance of \$5,030,000 Refunding Improvement Bonds of 2016, Series A.* Finance Director Welch stated that this resolution is necessary in order to finalize the sale of the refinancing which the Board approved on May 3, 2016. Commissioner Braun moved to approve the Resolution Authorizing Issuance of \$5,030,000 Refunding Improvement Bonds of 2016, Series A. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

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K. OTHER BUSINESS:

1. Mayor Van Beek announced that the Morton County Land Use Study Public Input meeting is currently in session at Mandan Middle School from 6:00 - 8:00 p.m.
2. Mayor Van Beek announced that on Saturday, May 21, 2016, an event called *Touch a Truck* will be held on Main Street in Mandan from 11 a.m. to 4 p.m.
3. Commissioner Braun announced that on May 19, 2016, there is an event called *Ride your bike with the Mayor* at 6 p.m. beginning at Raging Rivers. The Bismarck Mayor will also be participating in the event.

There being no further actions to come before the Board of City Commissioners, Commissioner Braun moved to adjourn the meeting at 6:57 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