

# ASSISTANCE FOR BUSINESSES

Start-Ups, Expansion and Succession Planning

# OPPORTUNITY

MADE IN  
MANDAN

Resources for All Stages  
of the Business Lifecycle

## FINANCIAL ASSISTANCE AND INCENTIVES

### LEWIS & CLARK REGIONAL DEVELOPMENT COUNCIL

Operates various programs and services for a 10-county area to foster economic growth and community development. The City of Mandan collaborates with the LCRDC on lending programs to assist with business start-ups, expansions and retention.

- Loan options complement financing from traditional lenders by reducing owner equity requirements to a minimum 10%.
- Interest rates typically range from 4% to market rate. Other loan terms are based on the loan purpose and asset being financed, credit risk, economic impact and borrower's ability to cash flow.



**Intermediary Relending Program.** Two \$1 million loan funds are being loaned out to businesses, paid back and revolving as a result of two \$750,000 loans from USDA Rural Development in 2007 and 2009 matched each time by City of Mandan \$250,000 contributions from sales tax revenue.

- Business projects must be in Mandan or the surrounding 10-mile radius in Morton County.
- Loans can be no more than 50% of total financing needs with a maximum of \$250,000 per project. Most loans are for 10 to 25% of the financing package.

**N.D. Opportunity Fund.** A Mandan-led consortium of 38 municipalities received \$9.7 million from the U.S. Department of Treasury's State Small Business Credit Initiative for a loan participation program for small businesses.

- The fund targets borrowers that employ 500 or fewer full-time employees.
- Loan share cannot exceed \$1 million or 50% of proposed project costs.
- Must have at least 20% private capital at risk.

*Lewis & Clark Regional Development Council  
200 1st Avenue NW, Suite 100 • Mandan, ND 58554  
Phone: 701-667-7601 • [www.lewisandclarkrdc.org](http://www.lewisandclarkrdc.org)*

MANDAN • NORTH DAKOTA



## FINANCIAL ASSISTANCE AND INCENTIVES

### MANDAN GROWTH FUND PROGRAMS

Mandan voters in 1991 approved a portion of the 1% city sales tax for job and economic development. The fund accumulated for this purpose is the Mandan Growth Fund. The Growth Fund Committee considers applications for assistance and incentives with a focus on developing employment within the area, expanding the local tax base, increasing capital investment and improving the entrepreneurial climate. The committee provides recommendations to the Mandan City Commission for final consideration. Applications must generally be approved prior to construction, building occupancy, or the start of business operations, depending upon the program.

**Property Tax Incentives For New & Expanding Businesses.** Businesses must be certified as primary sector by the N.D. Department of Commerce. Primary sector businesses, through the employment of knowledge or labor, add value to a product, process, or service that results in the creation of new wealth. Eligible businesses may be considered for property tax exemption on newly constructed or expanded buildings. Criteria for consideration of applications include jobs creation, job quality as measured by wages and benefits, diversification of the economic base and synergies with existing businesses. Based on the criteria, an exemption may be considered at one of three levels:

- 100% for years 1-2,
- 100% for years 1-2, 75% year 3, 50% year 4 and 25% year 5, or
- 100% years 1-5.

*Note: State legislation approved in 2013 requires voter approval for municipalities to consider standard exemptions for retail projects.*



**Interest Buy Downs.** Partners in Community Expansion (PACE) and Flex PACE programs utilize a partnership between financial institutions and the Bank of North Dakota through a participatory lending arrangement in which half of the loan amount is provided by a lender and half by the state-owned bank. Funds are used to reduce interest costs by up to 5% below the lead lender's rate to a rate as low as 1%. The buy down must be matched by the community at a 35% participation level

- For a primary sector project under the PACE program, the maximum buy down amount is \$461,538 (\$300,000 from BND and \$161,538 as the local share).
- Non-primary sector projects of community benefit may apply for the Flex PACE program, which has a maximum buy down of \$153,846 (\$100,000 from BND and \$53,846 as the local share).
- Repayment of the local share is generally required at an interest rate dependent on the type of project and public benefit.

## RENAISSANCE ZONE

Existing and new owners of commercial and residential properties within an established 28-block area in downtown Mandan may be eligible to receive property and state income tax incentives with a qualifying investment in a building purchase, new construction or rehabilitation. Businesses leasing space in buildings improved as Renaissance Zone projects may also be eligible for state income tax incentives.

## COMMERCIAL REMODELING EXEMPTION

Commercial properties are eligible for an exemption for up to 3 years for value added due to certain remodeling projects or additions. The exemption is limited to value added by the City Assessor for completed remodeling or additions. Applications must be approved prior to the commencement of the improvements. To apply, contact the City of Mandan Assessing Department, phone 701-667-3232.

## DOWNTOWN & MEMORIAL HIGHWAY STOREFRONT IMPROVEMENT PROGRAM

Commercial property owners and business tenants in the downtown area and along Memorial Highway may apply for matching funds in the form of a forgivable loan for improvements to building facades such as exterior finish, windows, doors, awnings, canopies, and signage, plus landscaping. Storefront funds are provided in the form of a maximum \$30,000 forgivable loan for up to 50 percent of the investment in rehabilitating a building façade. Up to \$60,000 may be considered for a downtown corner building depending upon the extent of the project.



**Retail & Restaurant Incentive Program.** New and expanding retail stores and restaurants locating anywhere in city limits may apply as long as the business fills a gap in the city's market profile and meets other program criteria. Eligible businesses may receive assistance of up to \$5 per square foot of operating space for their first 12 months, not to exceed \$20,000 per property.

*Entities or commercial buildings receiving public funds from the City of Mandan are required to have an automatic door for at least a main entrance in compliance with a 2008 voter initiated ordinance, now Mandan Municipal Code Section 111-2-9.*

*For more information about Mandan business assistance programs, contact the City Business Development and Communications Office, phone 701-667-3485.*

### **Restaurant Rewards Program - New in 2016!**

To attract new restaurants and encourage expansion of existing eateries, Mandan is offering a rebate of its 1% local sales tax for 5 years and has set aside \$162,000 for interest buy-downs. The sales tax rebate is performance-based, providing \$10,000 back to a restaurant for every \$1 million in annual sales. The interest buy down component allows for a forgivable loan provision of the local match for the Bank of North Dakota Flex PACE program, up to \$53,846 per applicant, to leverage up to \$100,000 of from the Bank of North Dakota. Interest buy down funds are available on a first-come, first-served basis to qualified applicants. Applications must be approved by March 31, 2017, with the new restaurant or expansion open no less than 1 year from the date of approval.

# RESOURCES FOR ADDITIONAL GUIDANCE

## ASSISTANCE IN EARLY STAGES OF BUSINESS PLANNING

### 1 Million Cups

This networking program caffeinates business success by engaging, educating, and connecting entrepreneurs with weekly presentations featuring area business startups speaking about their endeavor. Entrepreneurs gain feedback and the audience learns from the dynamic discussion.

[www.startbismarck.com/1mc](http://www.startbismarck.com/1mc)

### Center for Technology & Business

Facilitates many diverse programs based on technology and business development including the IDEA Center, an entrepreneurial center that helps nurture ideas into reality and stimulate sustainable economic growth by connecting businesses, students, and the resources necessary to hatch entrepreneurial activity. Other programs include the Business Technology Acceleration Program and North Dakota Women's Business Center.

2720 E. Broadway Avenue • Bismarck ND 58501  
Phone: 701-223-0707 • [www.trainingnd.com](http://www.trainingnd.com)

### Innovate ND

Offered by the North Dakota Department of Commerce, this program provides access to venture tools, online entrepreneur education, and extensive resources. If you are a North Dakota-based entrepreneur or innovator working on a new concept, you may be eligible. An entry fee provides access to resources through a certified entrepreneurial center. Funds can be used for a business plan, prototype development, coaching, consulting and marketing assistance.

N.D. Department of Commerce  
1600 E. Century Ave., Suite 2 • Bismarck, ND 58503  
Phone: 701-328-5300 • [www.innovatend.com](http://www.innovatend.com)

### NDSU Extension

Provides outreach, education, and research capability to North Dakota businesses. A primary responsibility of extension lies in aiding the state's business network through transfer of knowledge, technology, and resources from North Dakota State University to existing and start-up businesses, entrepreneurs, and inventors.

Rural and Agribusiness Enterprise Development  
2718 Gateway Ave, Suite 104 • Bismarck, ND 58503  
Phone: 701-328-9718  
[www.ag.ndsu.edu/smallbusiness](http://www.ag.ndsu.edu/smallbusiness)

NDSU Engineering Extension (Manufacturing)  
2720 E Broadway Ave, Bismarck, ND 58501  
Phone: 701-730-3956  
[www.ag.ndsu.edu/manufacturing](http://www.ag.ndsu.edu/manufacturing)

### Service Corps of Retired Executives (SCORE)

Counselors to America's small businesses. Operates in cooperation with SBA to provide free business advice from retired and working business professionals.

U.S. Small Business Administration Satellite Office  
1200 Memorial Highway • Bismarck ND 58504  
Phone: 701-328-5851

### Small Business Administration

Great on-line resources at [www.sba.gov](http://www.sba.gov). The website covers topics such as writing a business plans, financing a business start-up, buying an existing business or franchise, choosing a business structure, obtaining licenses and permits, and managing a business including employees, marketing and other aspects.

### Small Business Development Center

Free and confidential counseling to start-up and existing, small businesses. Assist with development of business plans, market analysis, and projected cash flows and financial statements. Answer questions, discuss ideas, solve problems and provide guidance on all aspects of small business management. Offers workshops, seminars, and conferences aimed at providing continuing education in the latest business techniques.

1200 Memorial Highway • Bismarck ND 58504  
Phone: 701-328-5865 • [www.ndsbdc.org](http://www.ndsbdc.org)

## MID-TO LATER STAGES OF PLANNING

Once you have developed a business plan and determined the financing needed, it may be time to visit with a bank and realtor of your choosing. Here are other sources of assistance and guidance:

### City of Mandan Business Development Office

When selecting a location, please contact Mandan's Business Development Office. In addition to info about available commercial properties, we can provide local market demographics, a retail gap analysis, traffic counts, and application assistance for business incentives.

205 Second Avenue NW • Mandan, ND 58554  
Phone: 701-667-3485 • [www.cityofmandan.com](http://www.cityofmandan.com)

**TAKE YOUR IDEA  
AND START TODAY!**

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## **Bismarck-Mandan Development Association**

BMDA serves as a matchmaker for industrial sites and available properties, job training services, and funding sources including the N.D. Development Fund, Dakota Certified Development Corporation, Bank of North Dakota programs, and more.

400 East Broadway Avenue, Suite 417 • Bismarck, ND 58501  
Phone: 701-222-5530 • [www.bmda.org](http://www.bmda.org)

## **Lewis and Clark Regional Development Council & Certified Development Company**

LCRDC serves a 10-county area including Morton by helping local governments, organizations, businesses and individuals access federal, state and other funding sources to enhance employment and business opportunities. The council manages two \$1 million revolving loan pools for Mandan to assist with business start-ups, expansions and retention in the city and surrounding 10-mile radius within Morton County. It also manages the N.D. Opportunity Fund, which also provides loans to small businesses.



The Lewis and Clark CDC is licensed to administer and facilitate the Small Business Administration's 504 loan program throughout North Dakota. An SBA 504 loan provides businesses with fixed rate financing for the purchase of long-term fixed assets. Proceeds can be used for the purchase of land, building and equipment as well as to finance eligible closing costs. The loan is made in conjunction with the borrower's local financial institution, which provides a first mortgage for up to 50% of the project cost.

200 First Avenue NW • Suite 100 • Mandan, ND 58554  
Phone: 701-667-7620 • [www.lewisandclarkrdc.org](http://www.lewisandclarkrdc.org)



## **BUSINESS SUCCESSION PLANNING**

You may wish to leave your business for reasons such as retirement, transitioning the business to a relative, or selling it to an employee. Perhaps it did not live up to expectations and you want to close. Whatever the reason, a planned exit strategy may help with recouping your investment, beneficial tax consequences, and continuation of the business. Sources of guidance include lawyers, accountants, real estate brokers, the Small Business Development Center, and Small Business Administration website at [www.sba.gov](http://www.sba.gov).

## **OTHER INFORMATION SOURCES**

### **N.D. New Business Registration Website**

Visit [www.nd.gov/businessreg](http://www.nd.gov/businessreg) for:

- tips on developing a business plan
- information on gaining capital
- protections including trademarks, copyrights and patents
- sources of assistance
- business structures and links for registering with the Secretary of State
- state licensing requirements
- sales tax requirements
- federal requirements

### **Traffic Counts**

Vehicular traffic is a factor in finding the optimum location for retail businesses. Most recent car counts for highways and streets near and in Mandan can be found at: [www.dot.nd.gov/road-map/traffic](http://www.dot.nd.gov/road-map/traffic)

**BUSINESS DEVELOPMENT AND COMMUNICATIONS OFFICE • CITY OF MANDAN**

205 2nd Avenue NW • Mandan, ND 58554 • Phone: 701-667-3485 • [www.cityofmandan.com/businessdevelopment](http://www.cityofmandan.com/businessdevelopment)

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## Resources for All Stages of the Business Lifecycle



Business Development  
and Communications Office  
205 Second Avenue NW  
Mandan, ND 58554



Phone: 701-667-3485 • [www.cityofmandan.com/businessdevelopment](http://www.cityofmandan.com/businessdevelopment)

## LOCAL REQUIREMENTS & RESOURCES

Before buying or renting a property, be sure it can be used for your intentions. A change in ownership or use of a property may trigger new zoning, building or fire codes. Here are helpful contacts:

### Assessing

Phone: 701-667-3232

- Assessed property values for tax purposes
- Application for new & expanding business property tax exemption
- Commercial remodeling exemption

### Building Inspection

Phone: 701-667-3230

- Zoning regulations
- Building code requirements
- Building, utility and mechanical permits
- Architectural review (building design & site layout)
- Sign permits
- Flood zone elevations

### Business Development Office

Phone: 701-667-3485

- Available properties
- Incentive & assistance programs

### Custer District Health

Phone: 701-667-3370

- Retail food licenses, permits & inspection

### Engineering & Planning Department

Phone: 701-667-3225

- Platting
- Public utilities (location, size)
- Street access
- Storm water management
- Zone changes
- Vacation of public right of way

### Finance Department

Phone: 701-667-3271

- Special assessment
- Local licensing and bonding

### Fire Department

Phone: 701-667-3288

- Fire code

### Waste Water Treatment

Phone: 701-667-3278

- Discharge permit



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