

Mandan Growth Fund Committee
Tuesday, May 12, 2020
2 p.m.

MINUTES

Growth Fund Members:

Don Boehm, Chairman
Term: 2019-2021

Jeff Erickson, Vice Chairman
Term: 2018-2020

David Lehman
Term: 2019-2021

Chad Peterson
Term: 2020-2022

Rocky Reddig
Term: 2020-2022

Maria Walen
Term: 2018-2020

Sherwin Wanner
Term: 2018-2020

Mark Weide
Term: 2018-2020

Lee Weisbeck
Term: 2019-2021

Liaisons:

Mayor, City of Mandan

Tim Helbling

City Attorney, City of Mandan

Malcolm Brown

City Administrator, City of Mandan

Jim Neubauer

Building Official, City of Mandan

Shawn Ouradnik

Business Development &
Communications Director, City of
Mandan

Ellen Huber

Bismarck-Mandan Chamber EDC

Brian Ritter

Nathan Schneider

Lewis & Clark Development Group

Brent Ekstrom

Communications & Community
Services Coordinator, City of
Mandan

Kari Moore

1. Introductions/roll call

Chairman Boehm called the meeting to order. Members participating are indicated with a . Also on the call was Frankie Huang of Dragon Royall LLC and the Rice Bowl and Chad Dietrich, Creative Construction.

Procedural Matters

2. Consider approval of minutes: March 25, 2020

Walen moved to approve the March 25, 2020 minutes. Wanner seconded. The motion passed unanimously.

3. Review financial statement through April 30, 2020

Huber reported the economic development uncommitted balance at \$291,781.49. This may be on the high side as the interest buydown for phase II of the Memorial Square Shopping Center is not yet finalized. The applicant was approved for up to \$99,943.55. It had initially appeared that only \$66,327.04 would be needed due to lower interest rates. A check was made out to the Bank of North Dakota for the first year's installment, but not delivered due to the applicant making a last minute switch in lead lenders. Final paper work is pending and the interest rate may be adjusted another time. Huber will check with Finance Director Greg Welch on correcting this in the financial statement.

If the application from this meeting is approved, the uncommitted balance will be reduced by another \$30,000. Huber pointed out the Olson Trust Storefront Improvement project at 1702 E Main St. closed out since the committee last met.

New Business

4. Consider application for Storefront Improvement project for 107 Fourth Ave NW

Huber explained that Huang of Dragon Royal LLC submitted an application for matching funds towards exterior improvements to the building at 107 4th Ave NW. The improvements are proposed for a two-story building, part of a set of adjacent buildings all listed under the same parcel on assessing records. Other buildings added on to the west end of this building are currently leased to

Nutrition Wellness Center and Curvy Flamingo. Huang plans to relocate his restaurant, The Rice Bowl, to the main level of the two-story building. The applicant is seeking a \$30,000 match for the exterior renovation that has an estimated cost of \$73,228.

Dietrich, the primary contractor for the project, explained exterior improvements include fixing and painting the exterior walls, sealing three windows on the south side of the building so it can serve as a firewall, and replacing storefront glass on the east side. The applicant also plans to replace two doors with fire rated exit doors, and replace one door with ADA accessibility. The proposal also includes moving signage from the existing location at the library to the new location, utilizing existing sign faces and cabinetry as much as possible, plus moving the existing awning.

Huber reported the exterior building and site plans received approval from the Mandan Architectural Review Commission contingent upon elimination of the projecting sign as proposed or modification to comply with sign code requirements, plus meeting all engineering requirements for the proposed sidewalk ramp and meeting fire code. The projecting sign in the application is 47.75 inches plus bracketing. Sign code limits the projection to 36 inches. The applicant plans to eliminate this sign unless he can work with Bismarck Signs to come up a plan that is compatible with the sign code.

Additional improvements include a new roof and an interior remodel to accommodate the restaurant. The applicant intends to seek Renaissance Zone approval in the future for these improvements.

Erickson moved to recommend approval of the application for \$30,000 in matching funds for the Storefront Improvement project by Dragon Royal LLC for 107 4th Ave NW. Weide seconded. Motion passed unanimously with Weisbeck absent for this part of the meeting.

5. Report on Mandan Business Gift Card Blitzes

Huber reported the recent Mandan Business Gift Card Blitzes were a huge success. The quickest sellout was in seven minutes. Each blitz closed once 100 gift cards were sold. A total of 420 gift cards were sold in the four blitzes. MPO Director Dot Frank had to manually shut off the sale each time, so there was a little overage of the 100 per blitz. There were 37 participating businesses and 30 businesses sold one or more gift cards. Four local banks joined in and covered \$5 of the business' portion of the \$10 discount, with the Growth Fund covering the remaining \$5. Huber thanked the committee for their understanding of the need to bypass having a committee meeting and take the proposal straight to the City Commission for consideration because of the time sensitivity. Boehm asked if there were any plans to expand the blitz or do it again. Huber said there are no immediate plans, but if done again, there will be a cap on the number of cards per blitz that a business can sell. The idea was borrowed from Wahpeton and Aimes, Iowa. It's been the most effective shop local activity to date.

6. Discuss COVID-19 business impacts

Results of business surveys were previously forwarded to committee members. The last survey was completed mid to late April. Nearly 86% were reporting weekly revenue decreases which was part of the push for the gift card blitz. She added that two-thirds of businesses who participated in the survey said they could withstand more than five months of disruption to their business. Huber has been following up with those respondents that wanted follow-up and provided contact information.

Huber discussed other programs that are available to help local businesses. She said the collaborative group of Bismarck-Mandan business organizations and government entities is looking at doing a third business survey to see if businesses opened, determine what issues they are facing, program accessibility, if businesses are still in need, and access to personal protective equipment and sanitation products required by ND Smart Restart guidelines.

Bowling alleys have yet to be allowed to reopen. Midway Lanes had planned on an expansion, but the project is now on hold. Many businesses that haven't been allowed to reopen have zero income during this situation and are still in the midst of it. The Bismarck Mandan Chamber EDC is helping to convey the urgency of this situation to the governor's office. It is anticipated that the governor's office will come out with guidance for events and large venues on Friday. Huber hopes there will be some guidance for bowling alleys then as well.

Huber said she has received some insights from local restaurant owners including: they feel like they are at about 40% of normal; if the paycheck protection program is not revised, some are not sure they will make it through this if they hire back all of their staff, and can't afford to pay staff more per hour; they wish the program would allow them to rehire half of their workforce; the Bank of North Dakota programs all have interest; and banks could own a lot of restaurant buildings if something different isn't done. Lenders on the committee shared their insights, too.

In terms of other things being done to assist businesses impacted by executive order closures, Huber noted the City Commission approved an extension through June 30 for the off-sale of alcohol with purchase of food by restaurants with liquor licenses. The City Commission also gave direction for staff to bring back an ordinance that would add two more months to 2019-2020 liquor licenses. Rather than having payment and renewal due June 30 this year, they will have until Sept. 1 and get two months free (fee reduced by 1/6).

Boehm asked about the effects from COVID-19 on Cloverdale. Huber explained the situation has been costly for them. Cloverdale shut down its country store to allow for more employee break or locker room space. Everyone is brought through one door and gets their temperature checked before entering. They have limited who can get in the building. Overall, Cloverdale has really tightened things down to protect employees and keep the plant operational. One of biggest risks besides keeping their own employees safe is continuity in the source of raw product. She thinks they are focusing attention on their COVID-19 response and resources, but that they aren't ruling out their expansion project rather just shifting the timeline.

7. Discuss local response ideas

Huber included some examples in the agenda packet. The Economic Development Association of North Dakota has a weekly call and idea exchange, and through this a handful of cities have shared some programs. Divide County has \$120,000 for up to \$5,000 in forgivable loans for businesses impacted by COVID-19. In Wishek, they have \$75,000 for up to \$2,500 per business with a 0% interest loan repayable after 25 months. Repayment will not begin till after things are back open. Huber wanted to share this information with the committee in case they are getting questions on Mandan providing more assistance or in case it would generate any thoughts or ideas for what we should be doing.

Discussion was held about the different federal and state programs currently being offered. It is apparent that more vacant commercial real estate can be expected as more people are working from home, companies may see that as a long-term solution and not need as much commercial office space. Also, there will be some businesses that won't survive this pandemic.

Huber noted there is about a two-month lag in sales tax revenue numbers, and we can only assume from survey responses that revenues will be down over the next couple of months. The 1% city sales tax, which contributes to the Growth Fund, is bound to be down. Helbling stated that right now the infrastructure funding is the biggest issue. Prairie Dog funding for infrastructure is uncertain. He's interested to see sales tax numbers. Neubauer thought the city might be okay on sales tax, but motor fuel tax collections and state aid distribution will be down.

8. Review automatic door requirement

Prior to start of the COVID-19 crisis, Helbling, Neubauer and Huber had discussed the cost of the automatic door requirement and how the retail incentive program didn't seem to be as effective because the amount of square footage times the stipend, even with a perfect score, wouldn't outweigh the cost of installing an automatic door. Huber said that brought about discussion of a possible waiver for the automatic door requirement for projects with a smaller incentive for if the cost of the automatic door could be added on to the incentive for projects meeting certain thresholds.

For the retail incentive program, the applicant is responsible for the full cost of the door. With the storefront improvement program, the applicant can receive a 50% match for the cost. She said it normally costs at least \$2,000 for an automatic door, but cost will vary depending on the source of electrical for building and any issues with header room above the door, etc.

Helbling said automatic doors are a good thing for most businesses to have, but thinks we could make some changes to not limit the scope of requests. He added that the committee should also look at business signage as part of the Storefront Improvement Program. He's not certain it should be included in reimbursable funds. Peterson agreed with the mayor on signage, and thought the committee should sit tight and see how COVID-19 plays out before making changes to the programs. Committee members agreed to plan for a meeting around the first week of June.

Other Business

9. Adjourn

There being no further business, the meeting adjourned.