

BUSINESS DEVELOPMENT COMMUNITY REPORT 2018

SURVEY SAYS

'MORE RESTAURANTS'



Bennigan's Irish Pub



Culver's



*Dickey's
Barbecue Pit*



Grand Junction

MANDAN

Respondents to a 2017 community perceptions survey of Mandan residents selected "more restaurants" as the top means of improving Mandan.





MAJOR PROJECTS



Runnings Expanding to W Main Street

Runnings has entered into a purchase agreement with a Jan. 31, 2019, closing date for adjacent properties located at 504 W Main Street and 511 First Street NW. The company will buy the properties from the City of Mandan for \$1,025,000 and invest at least \$1 million in renovations. They expect to more than double store sales and employment in Mandan with plans to occupy the buildings by September 2019.

Runnings will be moving out of a 12,000 square-foot store on leased property on Memorial Highway. The West Main properties are about 32,173 square feet and 15,785 square feet respectively. The larger store will allow Runnings to expand product offerings in the home, farm and outdoor space. The company plans to hire an additional 15 part- and full-time employees.

A West End Development Committee recommended approval of the Runnings purchase in November 2018 after review of five proposals received. Three of the other offers from startups were for much lesser amounts for use as indoor activity centers that still needed financing. The fifth option was for construction of a mixed-used building on a corner lot. Runnings, however, wants all land parcels associated with the buildings for parking plus a fenced area for outdoor goods and seasonal greenhouse.

Property History

Previous owners of the former Central Market and Thrifty White Drug properties had listed the properties for sale for \$2.5 million or lease at \$7 per square foot for about three and a half years beginning in 2014. Concerned about the future of these properties and their importance to the entire downtown district and Main Street, the City Commission voted to acquire the properties in June 2017 with funds from the Mandan Supplemental Environmental Projects Trust (MSEPT). Community efforts to recruit another grocery store such as Cashwise/Coborn's, SuperValu, Aldi, Trader Joe's, Whole Foods, Natural Grocers, and others were unfruitful.

The City hired ICON Architectural Group in December 2016 to assist with a vision plan and estimates for property renovation and reuse of the buildings. ICON recommended transforming the area into a regional destination or entertainment district dubbed "The Railyard." Various site layouts were explored from August 2017 to May 2018 with concepts involving an event hall and customized library space. After receiving additional public input, the City Commission voted in June 2018 to appoint a West End Redevelopment committee to assist in evaluating public input and alternative uses.

Proceeds from the property sale will be returned to the MSEPT, established in 2004 as part of a settlement with Burlington Northern Santa Fe Railroad for an underground fuel spill. The purpose is to help alleviate environmental, economic, social, public health and safety, and other related impacts on the downtown area.



Redevelopment of Jr. High Brings Affordable Housing to Heart of Mandan

Tenants began moving into Historic Apartments on Fourth in December 2018. Providing 39 housing units for individuals and families, the \$8.8 million project became reality under guidance of The Commonwealth Companies with financing assistance from federal tax credits for historic renovation and affordable housing as well as local payments in lieu of taxes to aid cash flow.

The property was last used as a school in 2009. Mandan Public School District sold the property in 2012 to Yegen Development. Without adequate financing to redevelop the school, Yegen donated it to Spirit of Life Catholic Church. In 2016, the church transferred ownership to Commonwealth with the understanding that become affordable rental housing.

The renovation preserves historic features including terrazzo flooring, woodwork and school lockers, while providing the new tenants with one- to three-bedroom apartments with modern amenities including energy-efficient appliances, central air conditioning and secure entrances.

The N.D. Housing Finance Agency awarded \$698,822 in tax credit authority to the project through the federal Low Income Housing Tax Credit program. The credits were syndicated by Redstone providing \$6.2 million in project equity. NDHFA also awarded the project more than \$1 million from the National Housing Trust Fund.

Located at 406 4th Street NW, the original building was completed in 1917. It and three adjoining buildings, constructed in 1924, 1954 and 1977, were redeveloped to create the apartments, a community room, fitness center, and a small daycare center with a private playground.

All housing units are reserved for income-qualified households and rent for \$499 to \$775 depending on unit size and household income. In addition to running the on-site daycare, the Mother Teresa Outreach, an affiliate of Spirit of Life Church, will offer supportive services to tenants who have experienced housing instability.

WORKFORCE ATTRACTION & DOWNTOWN REVITALIZATION TOPICS OF GOVERNOR'S MAIN STREET VISIT

Governor Doug Burgum, Lt. Governor Brent Sanford and members of the governor's cabinet toured portions of Mandan's Main Street in May and met with community members as part of the Main Street Initiative focused on creating healthy, vibrant communities, a 21st century workforce; and smart, efficient infrastructure.



Participants in a tour of a portion of Mandan's Main Street discuss a proposal to reduce traffic speeds between Sixth and Collins avenues by reallocating street space to three lanes (one each way plus a left turning lane) with parking restored on the south side of Main. Planning will begin in 2019 and the changes will be implemented in 2020 with Urban Grant funding awarded by the N.D. Department of Transportation as part of the initiative.

SUCCESS STORIES

Incentive Program Sets Table for 8 New Restaurants

The Mandan Growth Fund and Mandan City Commission voted in March 2016 to implement a Restaurant Rewards Program for new and expanding restaurants. All types of restaurants have been eligible, but the goal has been to attract at least three sit-down, full-service casual dining establishments. Nearly three years later, that goal is largely accomplished.

Local residents Monte Stein and Rob Knoll opened Bennigan's Irish Pub in August 2018 in northwest Mandan just off I-94 and Sunset Drive. Also Mandan High School grads, Cody Stern and Alan Miller are renovating the former Dakota Four Seasons Heating and Air building at 417 W Main Street. They plan to open Old Ten Bar and Grill by June. The restaurant will have family-friendly and adult sections with a menu ranging from appetizers and sandwiches to lavosh, steaks and pasta.

The program provides a rebate of a 1 percent local sales tax for the first five years of operation. Mandan also set aside \$162,000 in the Growth Fund for interest buydowns through the Bank of North Dakota's Flex PACE program to assist restaurants that need financing. Almost all of those funds are now committed.

The program is reviewed annually for effectiveness and continued need. It is currently slated to expire in March 31, 2019, unless renewed.



RESTAURANT REWARDS PROGRAM APPROVALS



Arby's



Bennigan's Irish Pub



Culver's



Dickey's Barbecue Pit



Grand Junction Grilled Subs



Mandan Depot Bier Hall



Old Ten Bar & Grill
(opening 2019)



Taylor Made BBQ



416 - 420 W Main Street



The face of Main Street and downtown Mandan has changed since 2005 as a result of the Renaissance Zone and Storefront Improvement programs. A total of 61 buildings have been improved with one or both programs.

increased to \$30,000 in 2013. Interest-free loans are pro-rated and forgiven over five years. The source is a portion of sales tax revenue set aside annually for economic development.

The programs together have helped improve the physical character of Main Street and downtown Mandan for businesses, residents and visitors. Building vacancies are diminished, new businesses are operating in the area and property values are increasing.

Renaissance Zone & Storefront Programs Stimulate Main Street, Downtown Investments

Having recently reached a settlement for clean-up of an underground fuel spill in the downtown area, Mandan in 2005 joined with the state’s Renaissance Zone Program to spark revitalization by leveraging private investment in the rehabilitation of properties. The program provides a five-year property tax exemption and five-year state income tax exemption to those who make a qualified investment in building renovation or new construction within a 28-block area. By 2018’s end, the Mandan City Commission approved the 75th project under the program. In total, it has resulted in commitments of nearly \$19 million in private investment in 39 buildings, nearly quadrupling their value when they go back on the tax rolls.

A total of 44 commercial projects have been completed since the program began in 2006 with \$566,172 awarded as matching funds for slightly more than \$2 million in improvement projects. Two more projects are underway and will be completed in 2019.

Mandan offered a Memorial Highway Storefront Improvement Program from 2014-2017. During this time, owners of five properties received approval for \$150,000 in matching funds for about a half million dollars of building improvements.

To add further momentum to the revitalization process, the City of Mandan also adopted a Storefront Improvement Program in 2006. Storefront funds are provided in the form of a forgivable loan for up to 50 percent of the investment in rehabilitating a building façade. The maximum started at \$10,000 and was



2318 Memorial Highway

USE OF INCENTIVE & ASSISTANCE PROGRAMS

Depending on project benefits to the community and the type of program, assistance is generally structured as a repayable loan, forgivable loan, or a tax reduction or rebate.

Growth Fund. Mandan annually sets aside a portion of its 1% local sales tax revenue for economic development. During 2018, the Growth Fund provided \$237,409 to multiple projects, leveraging other private sector and state funding sources.

Bank of North Dakota Flex PACE interest buydown

- Memorial Square Shopping Center phase II

Retail Incentive Program

- Shoezam Shoes
- Guitar Lot

Storefront Improvement

- Completed — Dakota Physical Therapy, Fettig Millwork & Window, Scapegoat Bar, Mastel's Dairy, Mastel property at 2318 Memorial Highway
- In process — Al Fitterer Architect, Old Ten Bar & Grill, Redmann Law

Other

Payments in lieu of taxes (for affordable housing)

- Historic Apartments on 4th

Renaissance Zone

- Completed — Dakota Physical Therapy, Dialectic Brewing, Fettig Millwork & Window, Goodhart & Associates, Harris Law Firm, Scapegoat Bar
- In process — Redmann Law, Old Ten Bar & Grill

Revolving loan funds (Lewis & Clark Development Group)

- **North Dakota Opportunity Fund**
 - Culver's
 - Big O Tires
- **USDA Intermediary Relending Program Funds**
 - Bennigan's
 - Big O Tires
 - Culver's
 - Dakota Physical Therapy
 - Goodhart & Associates
 - Old Ten Bar & Grill



Shoezam Shoes
Retail Incentive Program



Guitar Lot
Retail Incentive Program



Dakota Physical Therapy
Storefront Improvement



Fettig Millwork & Window
Renaissance Zone

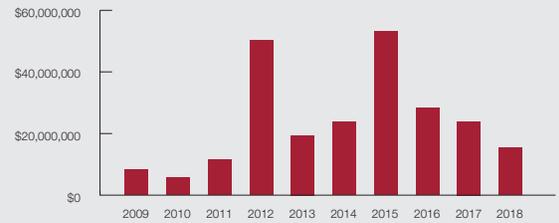


Big O Tires
USDA Intermediary Relending Program

COMMERCIAL & INDUSTRIAL PERMITS

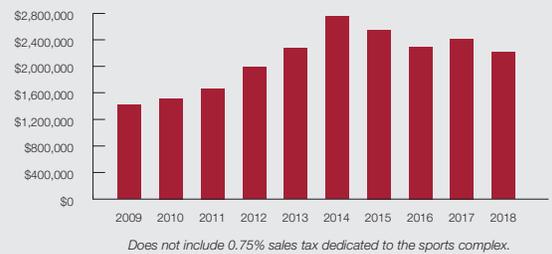
New, Remodel & Additions

\$15 million in 2018



1% LOCAL SALES TAX REVENUE

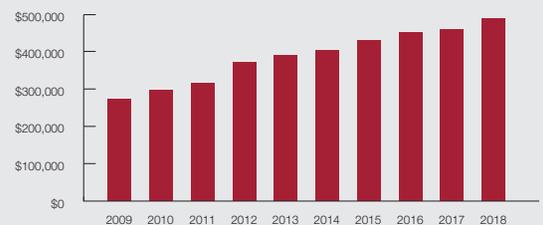
2018 collections were down 9%



Dialectic Brewing

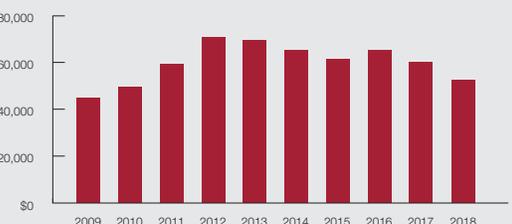
1% RESTAURANT & LODGING TAX COLLECTIONS

\$485,156 in 2018, up 5% from prior year



2% HOTEL OCCUPANCY TAX COLLECTIONS

\$62,690 in 2018, down 12.5% from prior year



OTHER BUSINESS OPENINGS

- 122 West
- B's Collectibles
- Beyond the Blooms
- Bisman Cards
- Coal Country Coffee
- Cricket Wireless
- Curvy Flamingo
- Das Mountain Food Truck
- Design Shack
- FunFit
- Many Visions Apparel
- Irish Oil & Gas
- Prairie Patriot Firearms
- Puff & Stuff
- RuLissa Boutique
- Thomas & Moriarty's
- Washbarn



Thomas & Moriarty's

ENTREPRENEURIAL EDUCATION & OUTREACH

Business representatives serving on the Mandan Tomorrow – Economic Opportunity and Prosperity Committee are a great source of advice and help. The recent focus is about reaching out to aspiring entrepreneurs and existing operators with information and activities to entice local investment and strengthen the business community. The City of Mandan Business Development and Communications Department and the Bismarck Mandan Development Association (now the Chamber EDC) provide staffing services. Sponsorships from 23 financial institutions, accounting and real estate firms cover expenses.

- **Get Your Business Online.** About 90 small business owners and employees attended training offered through Google to learn how to create a stronger online presence.
- **Downtown on Tap.** Approximately 110 community members participated in a walking tour and networking social in May to get a closer look at revitalization progress and share ideas for the future of buildings available for lease and sale.
- **Business Start-Up 101.** Fifty people who are thinking about starting a business came to this session in September to hear from local business owners about their experiences in Mandan and to gain information about resources and services to help with the opening of new businesses. Participants in past workshops have opened and are in the process of opening businesses needed in the community. Examples include Cyclists Cove, Coal Country Coffee, Dialectic Brewing, FunFit, and Prairie Patriot Firearms. Stay tuned for more in 2019!
- **Business Pitch Challenge.** Conducted in cooperation with the IDEA Center, this inaugural contest held in November drew 11 applicants competing for a \$10,000 forgivable loan from the Mandan Growth Fund, plus a host of other prizes to assist on their entrepreneurial journeys. Around 100 people came to see the live competition in November. The 2018 challenge winner is Nordic Steel Systems, which provides the construction industry with concrete-free foundations and exterior wall systems.



Almost two-thirds of participants evaluating the workshop indicated they are at least somewhat likely to open a business with most looking at a timeframe of two years or less.

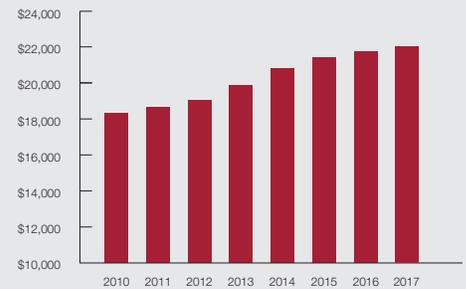


Nordic Steel Systems
2018 challenge winner



CONTINUED GROWTH

Mandan Population



Populations Estimates:

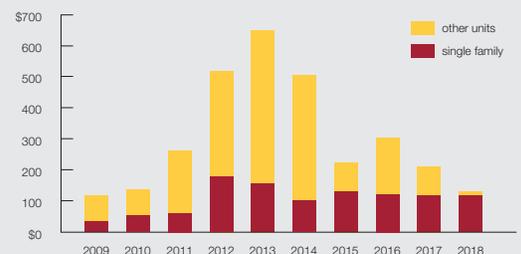
Mandan 22,228 in 2017, up 1% from 2016 & 21% from 2010.

Morton County 30,796 in 2017, up slightly from 2016 & 12% from 2010.

PERMITS FOR NEW RESIDENTIAL UNITS

4,673 new residential units since 2000.

124 units in 2018



MARKETING & PROMOTION

The Mandan Tomorrow – Leadership, Pride and Image Committee assists with and provides input on community marketing. Funding is currently provided by the City of Mandan, Mandan Public School District, and Mandan Progress Organization. Other contributors at times have included Mandan Parks and Recreation, Morton County, and area businesses as well as a grant from N.D. Tourism.

- **Online Videos.** Three new videos produced in 2018 help tell the story of Mandan's excellence in education, historical attractions and places to eat and gather. The videos had garnered 160,000 views by year-end and will continue to be used throughout 2019 to improve impressions of Mandan as a place to visit and to live.
- **Social Media.** The City of Mandan Facebook page has 3,240 followers and the "Made in Mandan" page has 6,113 people engaged in news of progress and community happenings. The City also added Twitter and Instagram to its communications platforms in 2018.
- **Website Refreshed.** A new City of Mandan website went live in December 2018. It is responsive, working across all platforms. Attractive community photos underscore the catchphrase – "A Great Life. Made in Mandan" while providing quick, logical access to city information. Work continues in 2019 on reorganization and updating various departments and other subsections.



Mandan City Commission

Tim Helbing (Mayor), Mike Braun, Scott Davis, Amber Larson, Dennis Rohr

Growth Fund Committee

Mark Weide (Chair), Don Boehm (Vice Chair), Jeremy Bauer, Jeff Erickson, David Lehman, Curtis Patzel, Maria Walen, Sherwin Wanner, Lee Weisbeck

Renaissance Zone Committee

Bruce Strinden (Chair), Stephanie Bohn, Darren Haugen, Rhonda Mahlum, Robert Vayda, Tim Helbling

STAFF

Business Development &

Communications DirectorEllen Huber

Program CoordinatorKari Moore

ROLE OF MANDAN'S BUSINESS DEVELOPMENT & COMMUNICATIONS DEPARTMENT

- Serving as an information resource.
- Marketing the area.
- Fostering entrepreneurship.
- Facilitating business start-ups, retention and expansions.
- Attracting and introducing new businesses to the area.
- Linking business prospects with officials and prospective partners.
- Bringing interests together to ensure all needs are addressed.
- Linking prospects with gap financing sources.
- Tracking business project performance.

