



Retail Incentive Program GUIDELINES

The Program

The purpose of this program is to serve as a catalyst for securing new retail and recreational activity concepts to fill vacant properties and stimulate new construction by providing financial assistance to qualified applicants.

The program is available to qualified businesses new to or expanding in the City of Mandan. Retailers may choose any location within the City.

The program is offered through the City of Mandan's Business Development Office. The funding source is a portion of the City's 1 percent sales tax revenue set aside in the Mandan Growth Fund for economic development purposes. Availability of funds for the program will depend on the balance in the Growth Fund at the time of application. Funding for qualified applicants is encumbered on a first-come, first-served basis.

Program Benefits

An incentive in the form of a forgivable loan during the first 12 months of operation for qualified businesses based on their operating square footage. The maximum assistance to be provided is \$5 per square foot. There is an additional cap of no more than \$20,000 per property.

Examples:

- *Retail shop plans to open in a 3,000 square foot operating space. Could apply for up to a \$5 per square foot subsidy to be paid for 12 months totaling \$15,000 or \$1,250 per month.*
- *Retail shop plans to operate in an 8,000 square foot space. A \$5 per square foot subsidy exceeds the maximum of \$20,000 per property, so the most that could be allocated is \$20,000 for 12 months (an equivalent subsidy of \$2.50 per square foot) at \$1,666.67 per month.*
- *Existing retailer plans to expand from 3,000 sf to 6,000 sf. Could apply for up to a \$5 psf subsidy on the 3,000 sf expansion to be paid for 12 months totaling \$15,000 or \$1,250 per month.*

Eligibility

1. "For profit" businesses that collect sales and use taxes and that are not currently operating in the city or that provide new or underserved products or services. (See Retail Preferences – Exhibit A).
2. Applications will be considered for first-time retailers, new and expanding concepts by existing retailers/, and expansion of retailers from outside the City.
3. Eligible retailers must devote a majority of the floor space to the display of products available for sale on the premises. Catalog showrooms shall not be eligible.
4. Non-profit organizations will be considered only if there is a retail component to the operation.
5. Must be a permitted use in compliance with all laws, zoning ordinances, rules and regulations applicable to the business.
6. Ineligible uses include, but are not necessarily limited to, thrift stores, second hand stores, dollar stores, pawn shops, tobacco or vape shops, non-profit agencies and entities (unless there is a retail component), schools, day care centers, currency exchanges including check cashing agencies and some non-bank financial retail outlets, bars and liquor stores (more than 50% of revenue generated by alcohol sales as compared to food), passive real estate ownership and management firms, and personal service retailers such as tanning salons, nail shops, beauty parlors, or tattoo parlors.
7. The Mandan Growth Fund Committee will review each application on a case-by-case basis and reserves the right to exclude other business activities if the use is not consistent with approved City redevelopment and development plans; if it does not benefit the health, safety and welfare of the community; or if the business activity does not meet the objectives of this program.
8. Businesses currently located in the City moving from one location to another location are not eligible unless there is an expansion and then only on the additional operating square footage.
9. Application must have final approval from the Mandan Growth Fund Committee and Mandan City Commission prior to business opening (or expanding).

Conditions

1. In lease situations, a minimum 3-year agreement is preferred.
2. Retailer must be open for business a minimum of 30 hours per week. If an applicant proposes to be open fewer hours, justification must be presented in the business plan.
3. First-time retailers or applicants that have been in business for less than one year must submit application to the local N.D. Small Business Development Center office and after start up participate in quarterly consultations with the SBDC or another approved business consultant.
4. Installation of an automatic door is required for at least a main entrance to the building as required by Mandan Municipal Code Section 111-2-9.

Application Process

1. Submit the application and all required attachments to the City of Mandan's Business Development Office (see application for required documentation).
2. City staff will make every effort to review completed applications (along with all necessary supporting documentation required for the application process) within a 2-week period.
3. The Mandan Growth Fund Committee will meet to review application and make recommendation to the Mandan City Commission. MGF meetings are scheduled as needed. Applicants will be notified of the meeting and asked to attend to present their request for assistance.
4. An application recommended for approval will be forwarded to the Mandan City Commission for consideration. The City Commission meets the first and third Tuesdays of the month at

5:30 p.m. Applicants will be notified of the meeting and asked to attend to represent their request.

5. Recommendations of the Growth Fund Committee will be presented to the City Commission for consideration of final approval within 45 days after a complete application is submitted.
6. The project applicant will be notified in writing and both the City and the Applicant will sign a Recipient Agreement once the City Commission has approved a project.
7. Business has 180 days from City Commission approval, which encumbers funding, to be open and operational. The applicant may request an extension in writing to the City Commission. The extension may or may not be approved. If the extension is not approved and the reimbursements have not commenced within 180 days, the amount allocated to the applicant will be forfeited by the applicant.

Selection Criteria

- Degree to which business provides an economic and added value public benefit to the location area and complements other businesses in the community
- Degree to which the business fills gaps in Mandan's retail and service sector (as identified in any household surveys and through available market statistics)
- Qualifications and track records of business owners or managers
- Potential for long-term viability
- Business plan
- Financial history
- Hours of operation
- Extent of customer base
- Storefront plans (exterior condition or upgrades, signage, displays)
- Investment of business owner (in inventory, point-of-sale software, equipment, building improvements, or other business start-up expenses)
- Jobs created
- Degree to which other public incentives are being utilized or the overall ratio of public to private investment.

Implementation Procedures

1. The program requires that the applicant pay upfront expenses. The City of Mandan will provide the subsidy within 30 days after the applicant has been open for business for one month.
2. Applicant (and landlord in lease situations) must be current on all municipally applied taxes, special assessments, utility bills, or loans. Payments will cease if either party fails to be current on these obligations.
3. Payments cease if applicant discontinues the business, moves the business from Mandan, or fails to comply with any and all building, fire, health or zoning codes or regulations applicable to the business.
4. The subsidy will be structured as an interest-free loan that will be pro-rated and forgiven over the course of 3 years from date of opening, provided the retailer remains in continuous operation within the City of Mandan. Retailers who locate outside the City before this time shall repay a pro-rata share of the rent subsidy.
5. Following the first 12 months of subsidization and through the third year of operation, each applicant will be required to submit a quarterly report to the Business Development Office to verify that the business is still operating in the approved location and an annual report to provide statistics on full-time and part-time employment.

Exhibit A — Retail Preferences

- Appliances
- Art/frame store
- Arts, crafts, hobby shop
- Bakery/bread store/dessert shop
- Clothing and other apparel — men, women, children
- Consumer goods rental
- Dry cleaners
- Electronics
- Food specialties — product specific, health, fresh, organic, etc.
- Gift, novelty, souvenir shop
- Hardware/paint
- Home décor or accessories
- Ice cream parlor
- Kitchen supplies and accessories
- Movie theater or other recreational/entertainment services
- Music or musical instruments
- Pet supplies
- Shoe store — men, women, children
- Toy store

This list may not be all inclusive. Other types of businesses may be eligible as long as not explicitly listed as “ineligible” and if providing products or services missing from Mandan’s business community or documented as in demand by residents.



**CITY OF
MANDAN**
"WHERE THE WEST BEGINS"

Retail Incentive Program APPLICATION & CHECKLIST

Business Name _____

Address of Proposed Business _____

Applicant's Mailing Address _____ City _____ State _____ Zip _____

Applicant's Phone _____ Email _____

Use:

Retail Square Feet _____

AMOUNT OF ASSISTANCE REQUESTED PER SQUARE FOOT \$ _____

Approximate cost to open the business: \$ _____

Personal Investment \$ _____ (Equity)

Bank or other financial commitment \$ _____ Other: _____

Building Acquisition or Construction Cost \$ _____

Building Rehabilitation \$ _____ Lease Term _____

Monthly Rent/Lease Per Square Foot \$ _____ Landlord Match _____

Proposed Opening Date of the Business _____

Description of the Business Including Products and Services Being Offered

Number of New Jobs _____ Expected daily traffic _____

Weekly hours of operation _____

Other Business & Applicant Information

Please submit as many of the following items as possible in order for the City of Mandan Growth Fund Committee and City Commission to make an appropriate decision on an application:

- Option to buy agreement for a building or letter of intent to lease contingent on receipt of incentives
- Business plan
- Personal financial statement and 3 years federal tax returns for principals of any new business, or business operating less than one year. Three years tax returns for any existing business
- Marketing plan
- Cost estimates for up-fit/equipping the space
- Business/personal history
- Certificate of Good Standing from N.D. Tax Department
- Proof of registration with N.D. Secretary of State

Be advised as per North Dakota open records law that applications may be released to the public if requested except for portions subject to NDCC 44-04-18.4 pertaining to confidentiality of trade secret, proprietary, commercial, and financial information.

Certification and Authorization

I / We certify that all information set forth in this application is a true representation of the facts pertaining to the proposed business for the purpose of obtaining funding under the City of Mandan Retail Incentive Program. I / We understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed to be repaid in full to the City of Mandan.

The undersigned specifically authorizes the City of Mandan Business Development Office or its representatives to conduct a background check on the applicant, including the checking of references and the verification of any information on the application.

I understand that personal and/or business information may be requested pursuant to this applicant for an incentive and I hereby give my consent for such information to be provided to the City of Mandan Business Development Office, the Mandan Growth Fund Committee or its representatives. I also understand that the Mandan Growth Fund Committee and the Mandan City Commission retain the decision as to whether this incentive application is approved, disapproved, or modified. It is my right to accept or decline the incentive amount and terms approved by the program.

The applicant further certifies that he/she has read and understands the City of Mandan Retail Incentive Program Guidelines. If a determination is made by City of Mandan staff that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to the City of Mandan and acknowledges that, with respect to such proceeds so returned, he/she shall have no further interest, right, or claim. It is understood that all funding commitments are contingent upon the availability of program funds.

Release of information

The applicant hereby authorizes any third party to release to the City of Mandan Business Development Office without limit, any and all financial information regarding the applicant that is requested by the City of Mandan Business Development Office, its representatives or employees. Further, the applicant hereby authorizes release of said records and information by the City of Mandan Business Development Office to a third party, as deemed necessary by the City of Mandan Business Development Office, its representatives or employees.

All owners, officers or partners must sign this application.

Signatures:

Applicant/Business Owner: _____ **Date:** _____

(if different from applicant)

Property Owner : _____ **Date:** _____

Submit application form and all supporting documents to:

City of Mandan
Business Development Office
205 Second Avenue NW
Mandan, ND 58554

For more information, call City of Mandan Business Development Office; phone 701-667-3485.



RETAIL INCENTIVE — APPLICATION EVALUATION (FOR COMMITTEE USE)

The purpose of the program is to serve as a catalyst for securing new retail and service business in the City of Mandan to provide greater selection and convenience to residents, businesses and visitors as well as to generate additional revenues for the public sector by way of local sales taxes. Following are guidelines for use by Mandan Growth Fund Committee members. To be completed individually, tallied and averaged. Subject to discussion.

Applicant:					
Amount of subsidy requested psf:					
Operating space (sf):					
SECTIONS BELOW FOR USE BY MANDAN GROWTH FUND ONLY					
1. Degree to which business fills a gap?	Significant				Minimal
	5	4	3	2	1
2. Products/services needed by other businesses?	Significant				Minimal
	5	4	3	2	1
3. Sales tax potential?	Significant				Minimal
	5	4	3	2	1
4. # of jobs created?	Significant				Minimal
	5	4	3	2	1
5. Use of other public incentives	Minimal (5% or less)	6-9%	10-19%	20-29%	Significant 30% or more
	5	4	3	2	1
6. Customer base	Broad				Limited
	5	4	3	2	1
7. Hours of operation	High				Low
	5	4	3	2	1
8. Qualifications of owners, managers	Strong			Weak	No info
	5	4	3	2	1
9. Potential for long-term viability	Strong				Weak
	5	4	3	2	1
10. Storefront plans/curb appeal	Significant				Minimal
	5	4	3	2	1
11. Investment - inventory, equip, building, etc.	Significant				Minimal
	5	4	3	2	1
<i>Ratings/recommendation to be provided by third-party such as SBDC or LCRDC</i>					
12. Business plan	Strong			Weak	No plan
	5	4	3	2	1
13. Financial history	Strong			Weak	No info
	5	4	3	2	1
Totals					
Grand Total		Average Rating			

General Guide (based average rating):

- Less than 2.0 = no assistance
- 2.0 to 2.4 = ¼ of maximum
- 2.5 to 2.9 = ½ of maximum
- 3.0 to 3.9 = ¾ of maximum
- 4.0 and greater = maximum