

GENERAL POLICY GUIDELINES

MANDAN GROWTH FUND

CITY OF MANDAN

In 1991, the voters of the City of Mandan approved a portion of the 1% city sales tax to be used for job and economic development. The fund accumulated for this purpose shall be called the Mandan Growth Fund (MGF).

I. ORGANIZATIONAL STRUCTURE

The MGF Committee will consist of at least seven and no more than nine members which will be appointed by the Mandan City Commission at the first meeting of the year for a term of three years. The committee shall annually select its Chair and Vice-Chair.

The MGF Committee shall meet as needed.

II. GENERAL PURPOSE

The MGF is intended to provide assistance to businesses that desire to expand or locate in the Mandan area. The primary purpose of this fund is for job and economic development within the area by creating, retaining and expanding jobs; expanding the local tax base; increasing capital investment; improving the entrepreneurial climate of the region; and generally expanding the financial base of the area to improve quality of life.

A portion of the funds may be appropriated annually for area economic and industrial development promotion activities, the administration of the program, and other types of projects that have direct economic development implications.

In addition to providing financial assistance to businesses that desire to expand or locate in the Mandan area the MGF also reviews the following applications:

- Storefront Improvement¹
- Tax Increment Financing (TIF)²
- New and Expanding Business Property Tax Exemption³
- Retail and Restaurant Incentive⁴

III. ELIGIBLE PROJECTS/FUND USES

Funds available through the Mandan Growth Fund may be used to provide temporary or permanent financing of any business cost related to the relocation and/or establishment of a new business, or the expansion of an existing business within the Mandan area. Generally, these funds will not be used for restructuring existing debt.

IV. FUND OPERATING PHILOSOPHY

¹ August 2006 MGF Meeting

² September 2008 MGF Meeting

³ May 2009 MGF Meeting

⁴ October 2009 MGF Meeting

The Mandan Growth Fund Committee, appointed by the City Commission, will have substantial flexibility in the types of financing tools available to it to pursue general economic and industrial development goals. Examples include, but are not limited to: loans, equity positions, equipment and building purchase and leaseback, interest write downs, grants, and other financing vehicles as may be necessary and appropriate.

Interest rates will be based upon the relative risk involved, the desirability of the project to the area, and, the immediate and long term growth potential of the business. It is important that, to the greatest extent possible, financial packages be tailored to meet the needs of the applicant while weighing the impact of the business venture on the area economy. Creative repayment schedules that provide a significant increase in the probability of project success may be provided. In these cases, the economic development potential of the project must justify the non-traditional repayment arrangement.

V. APPLICATION PROCESS

The MGF will develop application procedures and processes for administration of funds from this program. Each proposed project must complete a written pre-application in the format required by the MGF. The MGF will screen the pre-applications and has the right to reject any pre-application that is incomplete or does not meet the eligibility requirements. In addition, the MGF will have the right to use other screening criteria that it deems applicable and appropriate. When a pre-application has been completed, the screening committee will be notified of a date and time for a meeting.

The screening committee will meet monthly or as required to expeditiously process pre-applications.

After review and acceptance of a pre-application by the screening committee, the applicant and its representatives are required to submit a full application and may be required to make an oral presentation in support of their application to the MGF. Both applicants and non-applicants are entitled to present written materials and comments to the MGF within seven (7) days after the oral presentation by the applicant and its representatives. Non-applicants shall⁴ be entitled to make an oral presentation to the MGF either opposing or supporting a written application.

A loan origination fee will be charged at the time the screening committee authorizes the submittal of a full application. The loan origination fee will be \$200 or 1% of the amount requested, whichever is greater. No origination fee will exceed \$2,000. The minimum fee is non-refundable in the event the loan application is not approved. In addition, fifty per cent of any fee above the minimum is nonrefundable in the event the loan application is not approved.

The MGF has the authority to contract for professional advice/services to assist in its review and deliberations regarding any application. The MGF has the right within its total discretion to approve or disapprove any applications. As to any projects which the MGF recommends funding, the application, written comments and materials, and the written MGF recommendation will be forwarded to the Mandan City Commission for its review and final decision. As to any projects which the MGF disapproves, the decision of the MGF is final.

⁴ August 30, 2012 MGF Meeting the word "not" was eliminated

Mandan Growth Funds are granted on a year-to-year basis. Any remaining funds at the end of the year will be kept within the fund for future use.

Repayment of any incentives, such as grants and loans, originating from the MGF shall be returned to the MGF.

VI. PROJECT TRACKING

The Mandan Growth Fund Committee will institute project tracking procedures for each active loan file. These procedures will provide periodic feedback on the status of business operations. Establishing the frequency, content, and manner of presentation of these reports will be under the direct purview of the Committee. The Committee will insure that the project tracking and reporting requirements are established prior to loan disbursement.

Revisions approved by the Mandan City Commission 6 March 17, 2015