

Downtown Opportunities Committee

Whitepaper | January 2019

Submitted to Tim Mihalick, Project Manager, Interagency Steering Committee

Downtown Opportunities Technical Committee Member Participants:

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Dr. Steve Shirley, Minot State University
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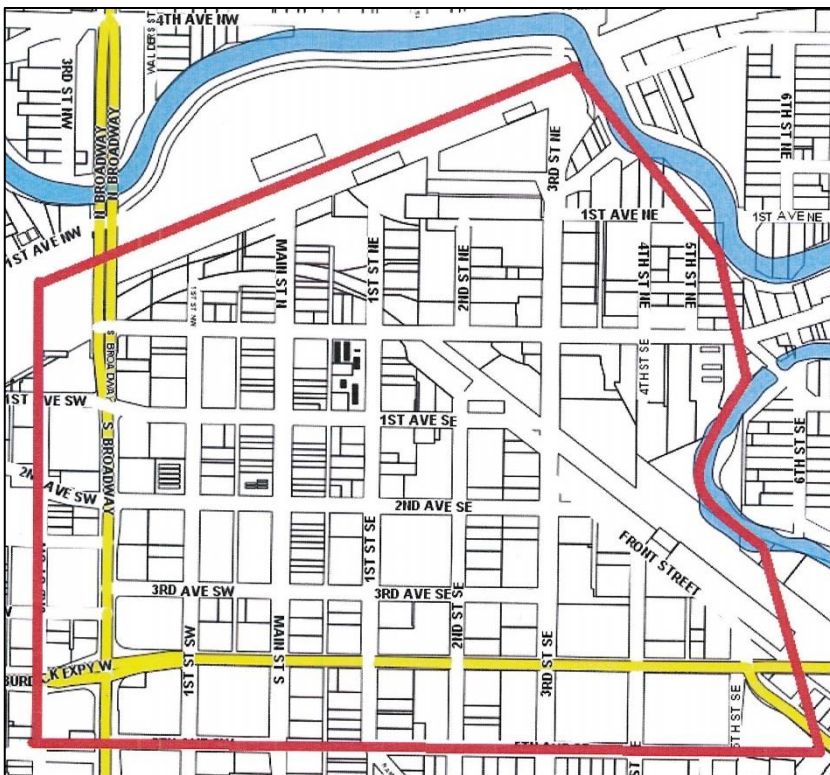
Outside Presenter: Dr. Dean Bresciani, president, North Dakota State University

Research Support: Kevin Ternes, City of Minot Assessor

Initial objective of DOC: Gather data and share information with an eye toward revitalizing downtown.

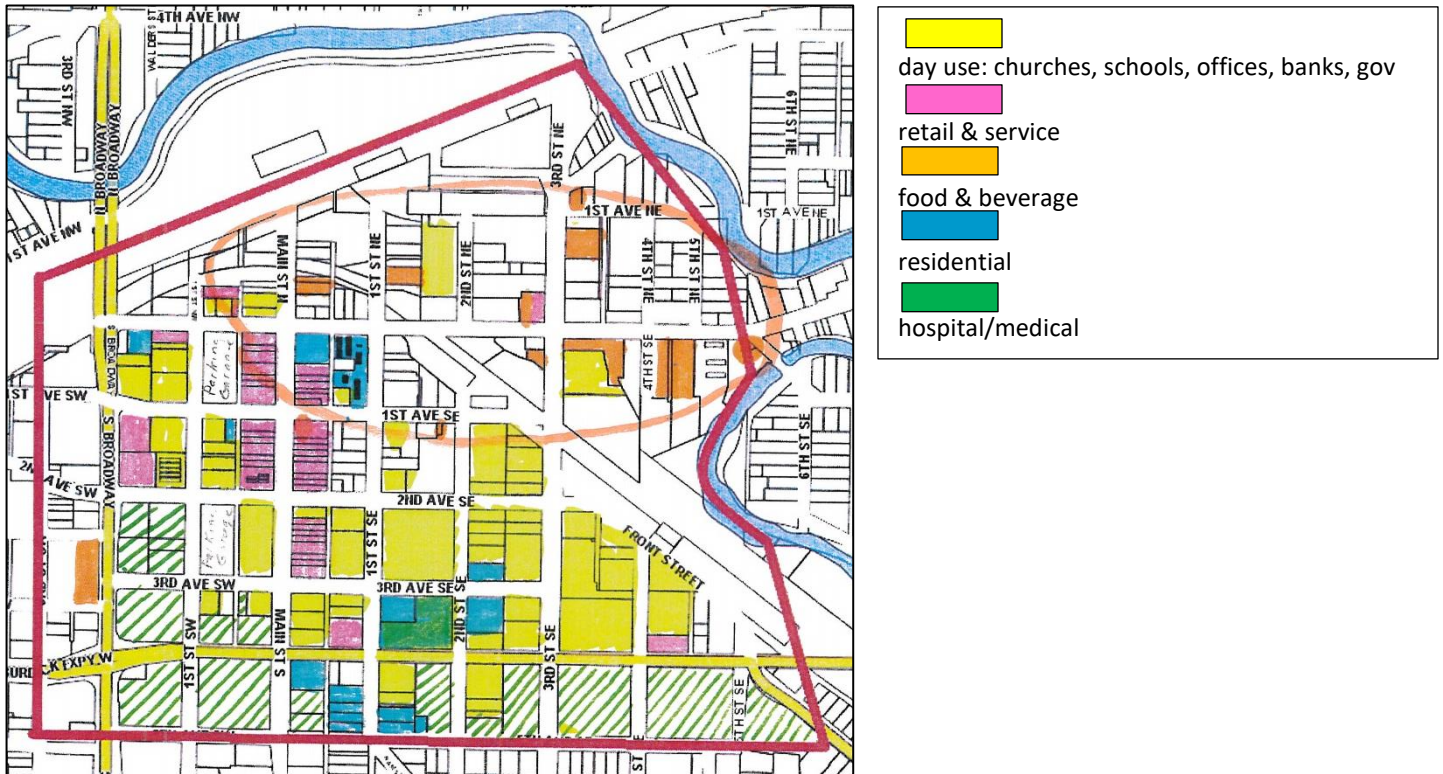
Defining Downtown

Downtown Minot is generally situated with boundaries of the BNSF tracks to the North, Eastwood Park to the East, 5th Avenue to the South, and 3rd Street SW to the West. As depicted on the following map:

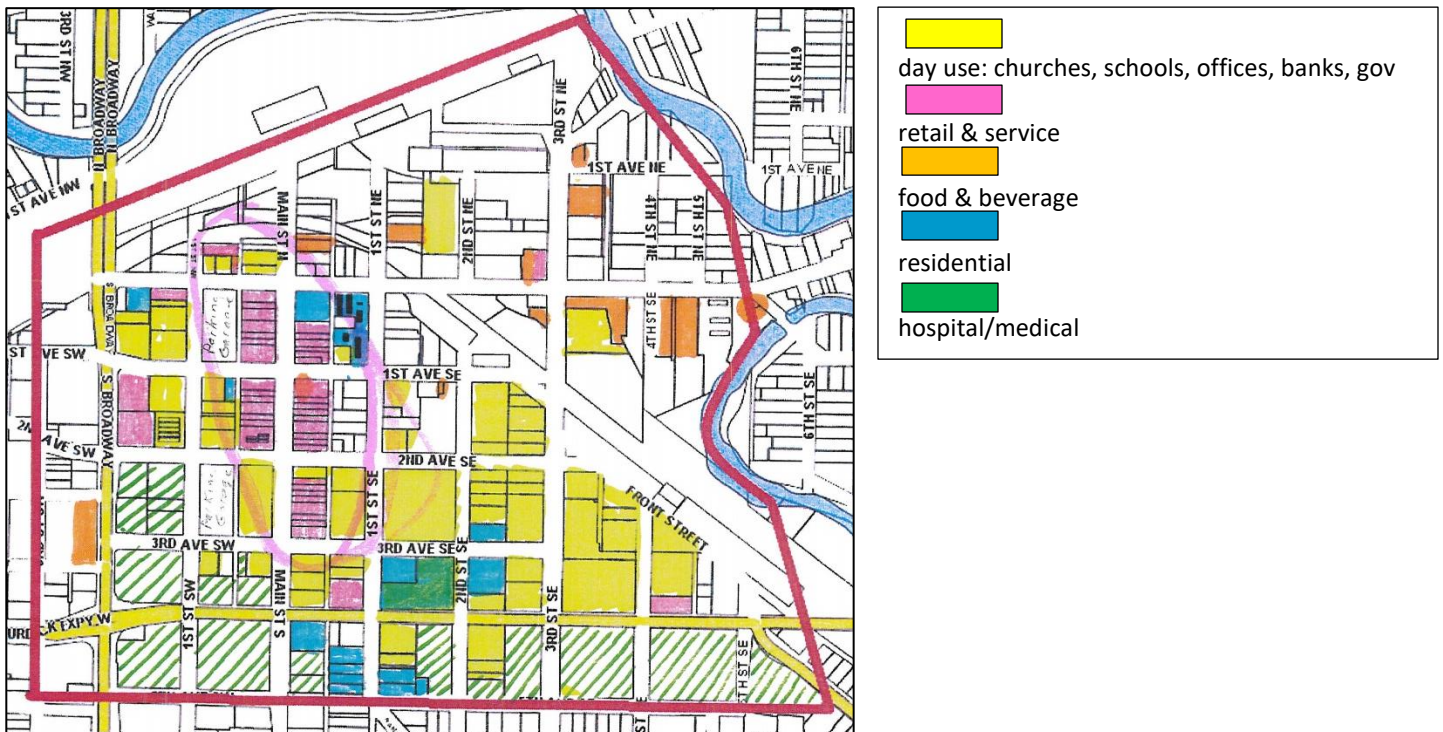


It is important to note that the occupancy of the downtown area in Minot is quite diverse. Key areas identified include day use with churches, schools, offices, banks and government, retail and service, food and beverage, residential and medical. The following usage maps give a general idea of the location of various districts.

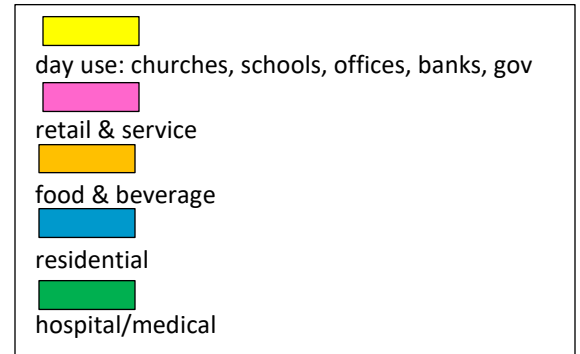
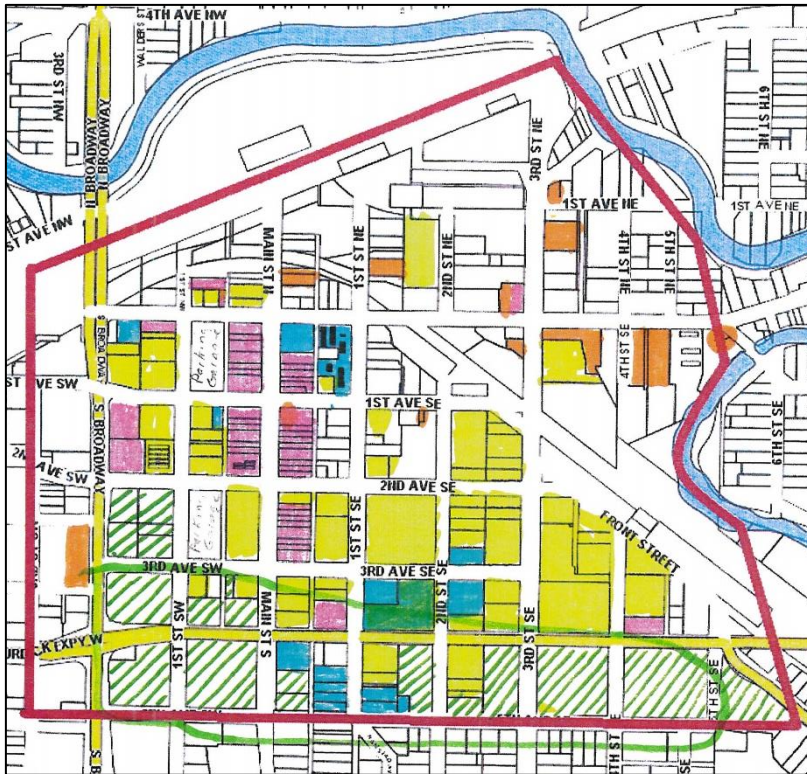
PUB DISTRICT



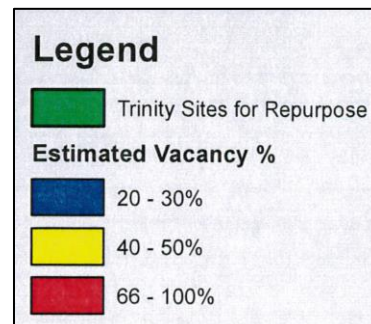
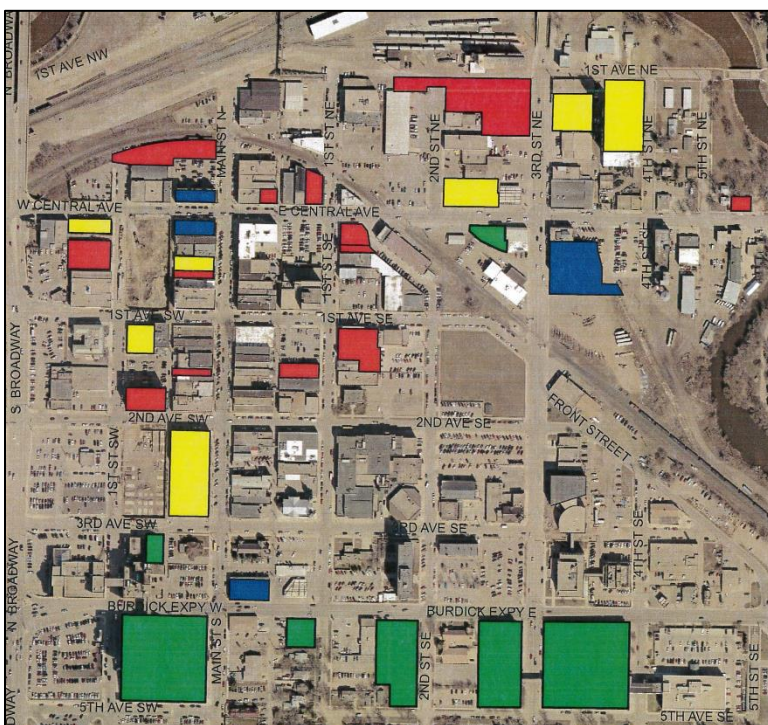
RETAIL DISTRICT



MEDICAL DISTRICT



Vacant buildings can be an opportunity for repurpose and new business start-ups. Kevin Ternes, City of Minot assessor, provided an overview of where vacancies exist. Included below is a map of those estimated vacancies. Additional data is attached as an addendum.



Higher Education and Downtown

The Downtown Opportunities Committee convened on August 27, 2018 in the Trinity Health Boardroom with a presentation from Dr. Dean Bresciani, president of North Dakota State University (NDSU). The presentation focused on NDSU as a major impetus in the revitalization of downtown Fargo. At the time (about ten years ago), the NDSU campus was “bursting at the seams” and the vacant buildings downtown were a viable solution to the growth issues. Dr. Bresciani pointed out that it wasn’t just NDSU that helped revitalize downtown, but also a key developer, the Kilbourne Group, that were necessary for the ultimate success. Today, 2,500 students live and are educated in downtown Fargo.

Minot State University (MSU) in 2019 finds itself in a far different position than NDSU did ten years ago. It should be noted that a downturn in enrollment the past eight years means room is available on campus for both academic spaces and residence hall facilities. Factors that have led to MSU’s recent enrollment changes include, but are not limited to, the 2011 flood, smaller recent high school graduating class sizes in the region, and plentiful job opportunities in the Bakken. There remain possibilities for MSU to explore in a downtown setting for academics or housing, but it is presently a much harder justification for additional square footage when the main campus is not “bursting at the seams,” as NDSU was experiencing prior to their growth in downtown Fargo a decade ago.

Trinity Health and MSU have enjoyed, and expect to continue enjoying, a long, fruitful working relationship. In fact, Trinity has helped MSU increase its number of graduates, graduating approximately 50% more Bachelor of Science in Nursing students during each of the past 5 years (from 2013-17), compared to the average number of BSN graduates in each year of the preceding five years (from 2008-12). To continue growing this program has its own set of unique challenges, including adding faculty (under very strict accreditation guidelines), additional dollars, expanded clinical/practicum sites/opportunities, and, most importantly – a larger pipeline of young people interested in pursuing Nursing as a career. None of these issues are insurmountable, but it is a much more complex subject to grow a program than simply having the teaching/classroom space available that an empty building might provide.

Beyond Nursing, there are other possibilities where MSU could potentially explore downtown options. Minot has a vibrant Arts community downtown (62 Doors, ArtSpace, Taube, etc), and so there could be new synergies to be explored with MSU Art students/faculty downtown. Dakota College at Bottineau is currently educating dozens of students downtown every day in a Trinity Health building, thanks to the generosity of Trinity for that space. Those students are pursuing 1- and 2-year nursing programs, and there might be further opportunities for growth in these programs. With Minot State’s new Entrepreneurship major and minor, there could be future possibilities with Entrepreneurship students engaging in business incubator-type opportunities downtown. The NDRC grant’s inclusion of funding for a Career & Tech Ed facility could potentially lead to a location downtown with students taking Career and Technical Education (CTE) courses there (i.e. Governor Burgum’s recent budget address including his idea for funding for Career Academies).

Vacant Property Opportunities

In addition to the discussion of opportunities downtown with higher education and Minot State University, the City of Minot and Minot Public Schools were looked to for utilization of vacated Trinity buildings or other vacant sites. These entities are aware of the possible opportunities downtown and are analyzing options.

Additional ideas discussed included a culinary arts school, community food pantry, and office space for key community initiatives or projects. Specifically noting upcoming initiatives like Ground Based Strategic Deterrent contractors and looking to see what their needs are and will be.

Private enterprise and entrepreneurship are part of the solution for revitalizing downtown. While government is a crucial partner in the process, it will take the attraction of private capital to make the difference. A champion for economic development in both downtown and across the community is needed. Other economic development models should be reviewed, such as the city of Williston and West Fargo to learn from their success. Economic development will play a vital role in attracting new companies, as well as assisting existing companies to grow.

Workforce

Workforce is of growing concern. The committee reviewed the North Dakota Workforce Development Council Summary Report that was released October 24, 2018. Workforce shortage is a reality, and a focus to support a 21st century workforce to meet current and future needs should be a part of future discussions. Minot will need to attract innovation and talent and look for opportunities.

Programs

Specific program recommendations were discussed as a fit for Minot.

1. Establish Minot Core Redevelopment Fund

Establish a revolving loan fund to address challenges that are typical of downtown redevelopment.

Some thoughts to ponder along this line include:

- a. Public funding support is justified, as aging downtown structures have challenges that are not typically encountered in remodeling of more contemporary buildings or in greenfield development (i.e. new construction). As a result, the program will serve to decrease the market disadvantage of downtown redevelopment.
- b. The revolving loan fund should be capitalized using funding sources that have limited strings attached to them and could be used as a gap financing tool. We could consider this as a beneficial use of the MAGIC Fund that could provide some sustaining revenue to other economic development activities in the community, including MADC's annual operations.
- c. The process for underwriting and review of a loan request should be relatively simple. We could consider tying it to a commercial bank's approval of the balance of a project's financing package.
- d. The fund could be used to finance project costs associated with the following improvements:
 - i. Underground storage tank removal/cleanup
 - ii. Asbestos remediation
 - iii. Lead based paint remediation
 - iv. Accessibility improvements
 - v. Fire suppression systems
- e. Financing terms would be 20 years at a 2.5% interest rate.

2. Adopt International Existing Building Code

The following is an excerpt from the preamble for the IEBC: *The International Existing Building Code is a model code intended to provide requirements for repair and alternative approaches for alterations and additions to existing buildings. A large number of existing buildings and structures do not comply with the current building code requirements for new construction. Although many of these buildings are potentially salvageable, rehabilitation is often cost-prohibitive because compliance with all the requirements for new construction could require extensive changes that go well beyond the value of the building or the original scope of the alteration. At the same time, it is necessary to regulate construction in existing buildings that undergo additions, alterations, extensive repairs or changes in occupancy. Such activity represents an opportunity to ensure new construction complies with the current building codes and that existing conditions are maintained, at a minimum, to their current level of compliance or are improved to meet basic safety levels. To accomplish this objective, and to make the alteration process easier, this code allows for options for controlled departure from full compliance with the International Building Code dealing with new construction while maintaining basic levels for fire prevention structural and life safety features of a rehabilitated building.* Adoption of the IEBC is not something new to North Dakota; the City of Fargo has adopted the IEBC.

https://library.municode.com/nd/farg%rdinances/code_of_ordinances?nodeId=786986

3. Fire Suppression Service Program

The City could consider establishing a program that would install the fire suppression services from the water mains to the faces of the buildings. The downtown infrastructure replacement project did not install fire suppression lines to buildings that will require them if they are redeveloped. As a result, the entity redeveloping a building will likely have to remove and replace the concrete pavement, curb and sidewalk to access the water mains located beneath the street. Options for the program could include:

- a. Grants for work within the public right of way (removal and replacement of pavement / curb / sidewalk; installation of water mains / valves / fittings)
- b. Pooling of projects and resources to create a beneficial economy related to scale

4. Renaissance Zone Program

Review of the program to look for opportunities to further utilize.

5. Create Business Improvement District (BID)

Support the development of a BID, a designated area where businesses agree to pay additional taxes for financing other projects within the boundaries of the BID. Additional funding could serve as the funding source for a development director position. After the BID is formed, additional action can be taken to assess the Main Street America accreditation.

Community Outlook

The committee discussion was focused on downtown Minot, but it should be noted that not all new businesses can locate downtown, some need rail access, others industrial parks, and others large areas surrounding for parking or equipment. Urban sprawl is happening. Urban infill is the expansion of vacant parcels of land within developed areas, with or without structures, and should be part of a comprehensive city plan. Our committee suggests the City move forward with such planning immediately.

Brand

Minot needs to refresh its brand identity, a universal brand that the entire Minot area can support should be explored. Included with the brand identity would be new vision, mission and goals. Groups that have been described as silos would need to come together with a goal of unifying the message. Discussions should start with the City of Minot, Minot Area Chamber of Commerce, Minot Area Development Corporation, Visit Minot, Minot Park District, Ward County, and Downtown Minot. It should also include trade organizations such as Minot Association of Builders, Minot Board of Realtors, Minot Banking Association, Minot Public Schools, Minot State University, Trinity Health, Minot Air Force Base, and others for a full analysis of Minot messaging. This refreshed brand and strategy would instill pride and enthusiasm and get people pulling in the same direction. A budget should be set aside (perhaps from the Magic Fund) to create the brand and strategy, as well as the essential marketing.

Minot is surrounded by agriculture, energy, defense (Minot Air Force Base), education and healthcare. Targeting these sectors and ensuring Minot is the place of choice to live, learn, work and play is essential to growth. Now is the time for Minot to rise and put all community assets to work. A goal of 60,000 population is achievable for Minot.