

ENERGY'S NEWEST LANDLORD



Written By: Jason Spiess

Back in 2006, Stanley, ND, had come across one of the biggest energy prospects in years. According to then-mayor Tim Holte, the town's biggest concerns were how and where to put the wind turbines.

"June 30, 2006, was my last day in office and there had been zero talk about, that I was aware of, of any oil development at that time," Holte said. "We were focused on wind development. We were going to, try to, develop a wind farm just north of Stanley. We were called the Saudi Arabia of wind in that area. So we thought that was our selling point. Now we are closer to the Saudi Arabia of oil."

Holte was mayor of Stanley from 2002-2006, today he is the superintendent of Stanley Community Schools. Given his unique background in education and public service, Holte's perspective is layered for industry, government and the public.

The one thing Holte said he wishes Stanley would have understood better is how the workforce housing cycles and logistic work.

"The controlling of the man camps is something we should have taken more care of," Holte said.

Furthermore, Holte added, in his experience with the recent oil activity, developers are coming in and building market affordable housing, rather than focusing on the wages of the community.

"Everybody saw oil, but nobody saw the gravel trucks, the accidents and the other things that come with it. That's the one thing I think needs to be pointed out. Which is you have to look at the unintended consequences. You have to look not for market affordable housing, but wage affordable housing."

The housing developments in Stanley are changing the entire community dynamics. Holte said the dramatic change began when residential homes became multi-family dwellings.

"The housing stock in the city of Stanley has 240 single family residents (units) that they let become multi-family. Now they are going to have a bunch of townhouses and no single family residences," Holte said.

Knee jerk reactions and public perception can become a snowball of issues, especially in the housing market. Holte believes this is a problem for the community because the word "bust" is used way too often and taken way too literal.

"This is not a bust. The oil companies are staying, they are not going anywhere. What's slowing down is just the number of rigs and that's because of the market," Holte said. "The marketing people, the service people, the engineers and others working with oil companies are all staying."

In fact the school saw an increase in student enrollment after the first of the year, according to Holte. "I had anticipated we would have a decrease in student enrollment right after our Christmas break. I thought I would come back and see somewhat significant drop in student enrollment, but we actually saw a small increase in students," Holte said. "Trying to determine enrollment and where it is going to go up or down proves problematic and difficult."



Holte believes this is one of those moments in a small town's lifespan where crossroads are presented because of all the economic activity surrounding.

"This is our opportunity to bring those people into our town because right now a large number of them drive 55-miles a day from Minot, which is essentially a regional housing center," Holte said. "The reason they drive 55-miles is because Minot has more affordable housing than Mountrail County."

The multi dwelling houses have created a few more unintended winds of change. According to Holte, affordable housing was promised, but perception was in the eye of the beholder.

"We did have a number of developers come in and say 'we are going to build affordable housing for your community,'" Holte said. "Affordable really turned out to be not affordable at all."

Holte cited several examples of Stanley housing prices - apartments are \$2K-\$3K a month, 1500-square-foot home is \$349K and he added he is in the market for a new home and is having trouble finding something affordable.



These prices prompted the school district to purchase a building and become landlords.

"The school district purchased an apartment building February 1, for \$1.975M. So we bought a 15-unit apartment building for almost \$2M that we would use for housing our teachers," Holte said. "We also own one house, one trailer, and now with this fifteen unit apartment building, 28 apartments."

In addition to his day-to-day superintendent duties, overseeing and managing the property has been added.

"I have also become a landlord," Holte said.

According to Holte, the recently purchased 15-plex had renters occupying the building and the school's intentions are to "not renew their leases." Rather exclusively rent to employees of the school district.

"We charge \$700-a-month for a three bedroom apartment and a \$600 for a two bedroom. The apartment we just bought was charging \$2000-a-month and we are going to charge \$700-a-month to make it hopefully more affordable for our teachers," Holte said.

