

**RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
September 17, 2013**

The Bismarck Renaissance Zone Authority met on September 17, 2013 in the David J. Blackstead Meeting Room in the City-County Office Building at 221 North 5th Street.

Authority members present were Curt Walth, Chuck Huber, Jim Christianson, Kevin Magstadt, Brenda Smith, George Keiser and Jeff Ubl.

Technical advisor Bruce Whittey was present.

Staff members present were Carl Hokenstad (Community Development), Charlie Whitman (City Attorney), Jason Tomanek (Planning), Brenda Johnson (Assessing) and Brady Blaskowski (Building Inspections).

Guests present included Russ Kadlec, Kenny Howard, Morgan Andenas, Dawn Kopp and Robert Graham.

CALL TO ORDER

Chairman Walth called the meeting to order at 4:00 p.m.

MINUTES

The minutes of the August 20, 2013 meeting were distributed with the agenda packet.

MOTION: A motion was made by Mr. Keiser and seconded by Mr. Christianson to approve the minutes of the August 20, 2013 meeting as received. The motion passed unanimously with members Christianson, Huber, Magstadt, Keiser, Smith, Ubl and Walth voting in favor.

CORE INCENTIVE PROGRAM PROJECT

215 North 3rd Street – CORE Housing Incentive Grant

Mr. Tomanek reported that the applicant requested the CORE Housing Incentive Grant application be held for one additional month to allow for a more thorough study of the building damages and better understanding of the Renaissance Zone Program and the CORE Housing Incentive Grant. Mr. Tomanek stated that he met with Technical Advisor Whittey, Carl Hokenstad and Charlie Whitman to discuss the ability of the applicant to use insurance money received from the fire that occurred on May 15, 2013 by Norma Apartments, LLP to qualify for the CORE Housing Incentive Grant and the general consensus was to not allow insurance money to be considered when requesting a grant from the CORE Incentive Programs. Mr. Tomanek concluded by saying that he did inquire with the North Dakota Department of Commerce - Division of Community Services regarding the ability to qualify

as a Renaissance Zone project using insurance money collected; it was the opinion of the Renaissance Zone Program Manager to allow the insurance money collected to be used to qualify for Renaissance Zone project designation.

MOTION: A motion was made by Mr. Christianson and seconded by Ms. Smith to table the CORE Housing Incentive Grant request by Norma Apartments, LLP until such time as the applicant is ready to proceed. The motion passed unanimously with members Christianson, Huber, Magstadt, Keiser, Smith, Ubl and Walth voting in favor.

Secretary's note: The Norma Apartments, LLP CORE Housing Incentive Grant application has been withdrawn by the applicant; upon closer examination, the applicant has determined that the Renaissance Zone Program would be more beneficial than the CORE Housing Incentive Grant Program.

RENAISSANCE ZONE PROGRAM PROJECTS

307 North 3rd Street – Kadlec Enterprises, LLC – Rehabilitation

Mr. Tomanek stated that the applicants are proposing to construct a building addition to the south side of the existing facility. The building addition would consist of an 886 SF basement, a 1,149 SF first floor and an 865 SF second level with an additional 284 SF exterior deck on the second level. Additional capital improvements to the existing portion of the building include mechanical and electrical systems and a fire suppression system. Mr. Tomanek continued by saying that the building is located outside the boundaries of the Bismarck Historic District. The existing building has EIFS/Dry-vit material on the exposed exterior walls. The building addition would consist of EIFS to match the existing material, cedar lap siding and simulated stone veneer; a new entry canopy to connect both buildings, an aluminum storefront window and doors to match existing, and revisions to the existing façade to blend with the new façade. The deck will be constructed with sub-deck drainage with low-maintenance decking and the railings will be a combination of painted steel and tempered glazing. Mr. Tomanek noted that the Downtown Design Review Committee reviewed the proposed project on September 12, 2013 for compliance with the DC-Downtown Core zoning regulations. The Committee believes the proposed building addition project would fulfill the requirements of the zoning district through the use of complementary materials, colors, building scale and design.

MOTION: A motion was made by Mr. Keiser and seconded by Ms. Smith to recommend approval of the request for designation as a Renaissance Zone project by Kadlec Enterprises, LLC for the building at 307 North 3rd Street. The motion passed unanimously with members Christianson, Huber, Magstadt, Keiser, Smith, Ubl and Walth voting in favor.

111 North 5th Street – Fireflour, LLC – Lease

Mr. Tomanek stated that the applicant is proposing to expand the current restaurant to the adjacent space in the building; the additional area would increase the space occupied by Fireflour Pizza from 900 SF to 1,840 SF. Mr. Tomanek stated that the applicant intends to replace exterior storefront windows and one door, replace the ceiling, improve the HVAC system, add new lighting, update the electrical system and update the plumbing system. The applicant would be occupying space in a building that has not previously been classified as a Renaissance Zone project; therefore, the applicant is required to invest a minimum of \$30 per-square-foot in improvements to the space. The applicant has indicated an estimated of \$28,500. The average per-square-foot investment is \$30.32 in the new space only. Mr. Tomanek concluded by saying that the applicant indicated that has indicated that the project would be done during the winter of 2013/2014.

A discussion was held regarding the need for a second restroom facility for the restaurant. Brady Blaskowski noted that the occupancy rating would determine the need for additional restroom facilities.

A discussion was held regarding the proposed investment by the applicant and whether the amount proposed would be enough to warrant allowing the applicant to receive Renaissance Zone designation over the entire leased area (1,840 SF) or to allow the exemptions to be considered using only the additional leased area (940 SF). It was noted that the proposed investment would not be sufficient to allow the entire space to be designated as a Renaissance Zone project.

MOTION: A motion was made by Mr. Keiser and seconded by Mr. Magstadt to limit the state business income tax exemption to only that portion of the additional space (940 SF) only with the understanding that if additional expenses are necessary to renovate the expanded space that the project could be reconsidered by the Authority. The motion passed unanimously with members Christianson, Huber, Magstadt, Keiser, Smith, Ubl and Walth voting in favor.

VACANT TECHNICAL ADVISOR POSITION – Discussion

A discussion was held regarding the vacant technical advisor position. Mr. Whitman noted that the position is not one that needs the approval of the Mayor or the Board of City Commissioners; he stated that the Authority can select the Technical Advisor. Mr. Whitman also stated that the position does not have a length of term.

MOTION: A motion was made by Mr. Christianson and seconded by Mr. Keiser to select Morgan Andenas to fill the vacant Technical Advisor position. The motion passed unanimously with members Christianson, Huber, Magstadt, Keiser, Smith, Ubl and Walth voting in favor.

RENAISSANCE ZONE PROGRAM AND CORE INCENTIVE PROGRAM APPLICATION FEES

Mr. Tomanek stated that there are incurred costs with Renaissance Zone Program and CORE Incentive Program applications; he stated that costs include publishing legal notices in the Tribune and mailing letters to the adjacent property owners notifying them of the public hearing. Mr. Tomanek explained that the Planning Division is required to publish a legal ad in the Tribune, once per week for two weeks prior to each public hearing. Mr. Tomanek also stated that there are generally between 30 and 60 letters mailed out to adjacent property owners for each application.

Mr. Keiser noted that there aren't any programs where there is so much "bang for the buck" and a return on the investment being made to revitalize the downtown area.

Robert Graham indicated that he is concerned that application fees charged by local governments are a hidden revenue source from the general public's overview of the budgeting process. Mr. Graham stated that as a tax payer he doesn't like to see fees collected in excess of the necessary costs.

Mr. Huber noted that charging fees in excess of the known costs is not appropriate.

Chair Walth stated that the applicant should be responsible for the actual costs affiliated with publishing legal ads and adjacent property owner notification letters.

The general consensus of the Authority members present was to continue the discussion until the October meeting with the understanding that staff will provide information relating to the costs affiliated with Renaissance Zone and CORE Incentive Program applications.

BUILDING RESTORATION OPTIONS

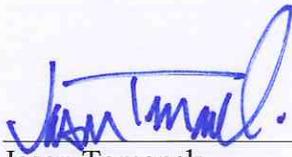
Kate Herzog with the Downtowners Association distributed information relating to various methods of removing paint from historic brick buildings and tuck pointing the brick and mortar. Ms. Herzog noted that the company she has spoken with (Morris Painting & Decorating) uses a technique similar to sand blasting; however, the material is dry ice, not sand. Ms. Herzog also said that the average price per-square-foot to tuck point brick and mortar is approximately \$16.00.

Mr. Keiser asked if a building is more valuable if the historic brick is restored versus a building that is covered with EIFS or Dry-Vit. Ms. Herzog said that they often speak with individuals that are looking for historic buildings and higher lease rates can be commanded for historic buildings. Mr. Keiser asked Ms. Herzog to check into lease rates and building values in Fargo for a comparison.

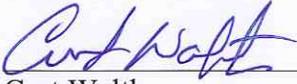
ADJOURNMENT

There being no further business, Chair Walth adjourned the meeting of the Bismarck Renaissance Zone Authority at 5:00 p.m.

Respectfully Submitted,



Jason Tomanek
Recording Secretary



Curt Walth
Chairman