Bismarck

Community Development Department

RENAISSANCE ZONE AUTHORITY
MEETING AGENDA
September 20, 2011

City-County Office Building	4:00 p.m.	Second Floor Conference Room

1. **Call to Order**
2. **Consider Approval of Minutes – June 28, 2011 Meeting**
3. **Introduction of New Authority Member – Jim Christianson**
4. **Discussion of Program Input Meetings**
5. **Other Business**
6. **Adjourn – Next regular meeting is scheduled for Tuesday, October 18, 2011.**

Bismarck-Burleigh County Community Development Department
221 North 5th Street • PO Box 5503 • Bismarck, ND 58506-5503 • TDD: 711 • www.bismarck.org

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RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
July 12, 2011

The Bismarck Renaissance Zone Authority met on July 12, 2011 in the 2nd Floor Conference Room in the City-County Office Building at 221 North 5th Street.

Authority members present were Dave Blackstead, Chuck Huber, Brenda Smith and Curt Walth.

Authority members George Keiser and Kevin Magstadt were absent.

Technical advisors Jeff Ubl and Bruce Whittey were present.

Staff members present were Jason Tomanek, Kimberley Gaffrey, Kim Lee, Brenda Johnson and Charlie Whitman.

Guests present were Jim Christianson (Northwest Realty Group, LLC), Josh Askvig (Board of City Commissioner), Katie Vasbinder (Ubl Design Group), Shawna Dobrzelecki (Daymarck, LLC), Loran Galpin (Galpin Company), Brent Nelson (Leaf Design Studio), Dr. Ricky Becker (HST, LLC), Chris Bjorke (Bismarck Tribune) and Dawn Kopp and Kate Herzog (Downtowners).

CALL TO ORDER

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

MINUTES

The minutes of the June 8, 2011 meeting were distributed with the agenda packet.

MOTION: A motion was made by Mr. Walth and seconded by Mr. Huber to approve the minutes of the June 8, 2011 meeting as received. The motion passed unanimously with members Blackstead, Huber, Smith and Walth voting in favor.

RENAISSANCE ZONE PROJECT APPLICATIONS

A. 506/510 East Main Avenue – HST, LLC – Rehabilitation

Mr. Tomanek gave an overview of the rehabilitation project by HST, LLC for the site at 506/510 East Main Avenue. He said the applicant is proposing to rehabilitate and add-on to the existing two-story building and in-fill the current open area along the 500 block of East Main Avenue. The project will consist of a new, historically appropriate façade spanning 75 feet with large, street-level windows, full window openings restored on the second floor of the building at 510 East Main Avenue and two additional floors added to accommodate office space, a restaurant, retail and potentially residential space. Mr. Tomanek went on to say that the additional two floors proposed with the project would be set back from the property line to allow for preservation of the historic street scale and to offer a rooftop terrace to be located on the third level's south side. The terrace area will host a restaurant/bar, cro-shoe court and an area for live performances. He added that the applicant is proposing to construct a skywalk connection to the north that would span the alley and connect to two levels of the Parkade. The materials proposed for the building include brick, cast stone accents, aluminum clad windows, fiber cement board for

the 3rd and 4th floors and traditional canvas awnings above the first floor storefront windows and openings. Mr. Tomanek concluded by saying the estimated property tax exemption would be $238,635 over five years and the estimated state income tax exemption would be $15,439 over five years. The total project investment is approximately $3,100,000 and the estimated value with the investment is $3,000,000 (applicant estimate).

Mr. Tomanek listed the following findings for the proposed Renaissance Zone project:

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.

2. The proposed exterior rehabilitation and addition would be sufficient to eliminate any and all deteriorated conditions on the exterior of the building.

3. Using the 2010 assessed value of the buildings ($243,500) and the proposed investment of $3,100,000, the level of re-investment is approximately 1273 percent. The minimum level of investment for rehabilitation projects is 50 percent of the assessed building value made through capital improvements. The proposed investment would be equivalent to a per square foot cost of $133.61.

4. The applicant anticipates that the exterior rehabilitation and construction of the addition would be complete in September 2012 with leasehold improvements to follow.

5. The proposed project was reviewed by the Downtown Design Review Committee on May 25, 2011 for compliance with the DC-Downtown Core zoning regulations. The Committee believes the proposed rehabilitation project would fulfill the requirements of the zoning district by reflecting the original architectural style of the building, the windows are sized to meet or exceed the regulations and by having materials and colors that would be compatible with or complementary to those used on adjoining parcels.

Mr. Tomanek then listed the following additional information for the proposed Renaissance Zone Project:

1. The applicant's architects have been working with the Bismarck Parking Authority and City staff to finalize the details associated with the proposed skywalk connection across the alley to the Parkade. The Board of City Commissioners must take final action on any request involving skywalks above the public right-of-way.

2. The infilled site will eliminate the existing east-facing windows on the adjacent building to the west. The owner of the adjacent building has been in contact with the architects regarding the design and does not have any objections to the proposed project. The Building Inspections Division and the Fire Department have stated that the proposed project is acceptable under building code and fire regulations.

3. The proposed project is subject to the City's Site Plan Review process. At this time, the necessary site plan documents have not been submitted.

4. Currently the properties are separate lots. The owner will be required to combine the lots as one parcel because the proposed building would otherwise cross property lines. The lot combination can be completed in conjunction with the Site Plan Review process.

Mr. Tomanek said based on the above findings, staff recommends approval of the rehabilitation and addition project at 506/510 East Main Avenue by HST, LLC as a Renaissance Zone project, a 100% property tax exemption on the building and improvements for five years beginning with the date of completion, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion with the following conditions:

1. The project generally conforms to the project description, site plan and conceptual images submitted with the application.

2. All the necessary building and other required permits are obtained prior to commencement of the project.

Mr. Whittey asked if there are landscaping requirements. Mr. Tomanek responded by saying the landscaping requirements will be addressed during the site plan view process and it is likely the two existing boulevard trees would be removed during the construction phased and replaced in conjunction with the redevelopment project.

Mr. Walth inquired whether or not color samples have been provided. Mr. Nelson said a final color has not been decided yet, but it will be similar to the brick used at Civic Square and come from Hebron Brick.

Mr. Walth indicated that the Renaissance Zone Authority should see color samples for final approval.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Walth and seconded by Ms. Smith to recommend approval of the request for rehabilitation and addition project at 506/510 East Main Avenue by HST, LLC as a Renaissance Zone project, a 100% property tax exemption on the building and improvements for five years beginning with the date of completion, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion with the following conditions:

1. The project generally conforms to the project description, site plan and conceptual images submitted with the application.

2. All the necessary building and other required permits are obtained prior to commencement of the project.

3. The color of the brick is subject to final review by the Downtown Design Review Committee and the Renaissance Zone Authority.

The motion passed unanimously with members Blackstead, Huber, Smith and Walth voting in favor.

B. 521 East Main Avenue – Civic Square Development, LLC – Lease

Mr. Tomanek gave an overview of the lease project by Daymarck, LLC. He said the applicant is proposing lease space on the 3rd floor of the building at 521 East Main Avenue for the creation of a medical coding and health care records office. The owner of the building, Civic Square Development, LLP, has rehabilitated the building as a separate Renaissance Zone project. Mr.

Tomanek concluded by saying the building floor area is 16,876 square feet and the applicant's lease area would be approximately 1,465 square feet, with an estimated income tax benefit of $80,000 over five years.

Mr. Tomanek listed the following findings for the proposed Renaissance Zone project:

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.

2. The building has been rehabilitated as a separate Renaissance Zone project.

3. The lease would be for an expanding business relocating within the Zone. The business is currently being operated out of a home office in Bismarck and is relocating in order to expand the size of the operation and accommodate up to seven employees.

4. The space proposed for occupancy has not previously been occupied by a business receiving Renaissance Zone tax exemptions and is the last vacant space in the building.

5. The applicant has indicated approximately $50,000 will be spent to complete the office suite build-out.

6. Occupancy of the space is anticipated for September 2011.

Mr. Tomanek added that with this lease, the Civic Square building would be fully occupied. Mr. Tomanek said based on the above findings, staff recommends approval of the lease of space in the building at 521 East Main Avenue by Daymarck, LLC as a Renaissance Zone project, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of occupancy.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Walth and seconded by Ms. Smith to recommend approval of the request for lease of space in the building at 521 East Main Avenue by Daymarck, LLC as a Renaissance Zone project, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of occupancy, with members Blackstead, Smith and Walth voting in favor. The motion passed. Member Huber abstained.

RENAISSANCE ZONE DEVELOPMENT PLAN MODIFICATION DISCUSSION

Mr. Tomanek said staff is still working on updating the development plan. He continued by saying that the recent motion to approve Mr. Pine's Renaissance Zone project with the condition that the current property taxes will continue to be paid during the duration of the Renaissance Zone project. He went on to say that the State informed him that the approved Development Plan has been deviated from and if the Renaissance Zone Authority would like require property taxes to be paid in the future, it has to be included in the Development Plan.

There was some discussion on whether or not this practice should be included in the Development Plan and the general consensus was to leave the Plan as is regarding the property taxes.

MOTION: Mr. Huber made a motion to recommend the Board of City Commission stay with the current Development Plan regarding property taxes. Mr. Walth seconded the motion

and it passed unanimously with members Blackstead, Huber, Smith and Walth voting in favor.

STATUS OF APPROVED RENAISSANCE ZONE PROJECTS

Mr. Tomanek said that no Renaissance Zone projects have been closed out since the last Renaissance Zone Authority meeting.

STATUS OF APPROVED CORE INCENTIVE PROJECTS

Mr. Tomanek said that no CORE Incentive Program Projects have been closed out since the last Renaissance Zone Authority meeting.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business, Chair Blackstead adjourned the meeting of the Bismarck Renaissance Zone Authority at 4:49 p.m.

Respectfully Submitted,

_____
Kimberley Gaffrey
Recording Secretary

_____
David Blackstead
Chair

Bismarck

Community Development Department

MEMORANDUM

TO: Chair Blackstead and Renaissance Zone Authority

FROM: Jason Tomanek, Planner JT

DATE: September 14, 2011

RE: Renaissance Zone Program Input Meetings

During the July 26, 2011 Board of City Commissioners meeting the Renaissance Zone Authority was asked to gather information on the Renaissance Zone program. Since that time staff has met with Commissioners Askvig and Smith to clarify the type of information the Commission is interested in and the manner in which it could be collected and disseminated.

As a result of that discussion, a series of questions will be developed to help gather the information and responses relating the Renaissance Zone. As we envision it, developers, property owners and other stakeholders that work with the Renaissance Zone program, as well as those who haven't used the program, will be invited to comment on the series of questions. This could be done by staff or a committee of the Renaissance Zone Authority. The role of the Renaissance Zone Authority will be to evaluate the information and formulate a recommendation for the Board of City Commissioners.

We are hopeful that the information can be gathered and included with any additional overall Development Plan amendments and be delivered to the Board of City Commissioners by the end of this calendar year.

Staff will also be looking at what other communities in North Dakota have done with the Renaissance Zone program during the life of the program. In particular, staff has been asked to research if other communities have a graduated reduction of the property tax exemptions during the 5-year exemption period.

In an effort to gather well-rounded comments and input, it would be beneficial to discuss this topic during the next regular meeting which is scheduled for Tuesday, September 20, 2011. Please consider potential members of the community that could provide insight, comments and suggestions as they pertain to the Renaissance Zone program and any questions you think should be included. It has been suggested that a minimum of twelve individuals be contacted and asked to comment on the list of questions. Following the meeting on September 20th, the discussion can move forward and we will begin conducting the interviews, collecting the responses and transcribing the information requested.

Please feel free to call me at 355.1849 if you have any questions or comments.

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