Bismarck

Community Development Department

RENAISSANCE ZONE AUTHORITY
MEETING AGENDA
January 13, 2010

City-County Office Building	3:30 p.m.	Tom Baker Meeting Room

1. **Call to Order and Introductions**

2. **Approval of Minutes**

3. **Proposed 6th Street Parking Ramp – Public Hearing**

4. **Renaissance Zone Projects**

   A. Request of J & J Smith Property Management, LLC for designation of the purchase and rehabilitation of the building at 115 North 4th Street as a Renaissance Zone Project. The property is owned by Howard Malloy and is legally described as Lots 19-20, Block 48, Original Plat.

5. **CORE Incentive Programs Projects**

   A. Request of J & J Smith Property Management, LLC for assistance from the Technical Assistance Bank, a CORE Incentive Program for the building at 115 North 4th Street. The property is owned by Howard Malloy and is legally described as Lots 19-20, Block 48, Original Plat.

   B. Request of Hedahls Inc. for assistance from the Façade and Signage Grant, a CORE Incentive Program, for the building at 100 East Broadway Avenue. The property is owned by Hedahls Inc. and is legally described as Lots 13-24, less the East 10 feet, Block 60, Original Plat.

6. **Technical Advisor to the Renaissance Zone Authority – Discussion**

7. **Renaissance Zone State Guideline Changes – Leasehold Improvements**

8. **Consider Discussion with the State Renaissance Zone Program Manager**

9. **Status of Approved Renaissance Zone Projects**

10. **Status of Approved CORE Incentive Projects**

11. **Other Business**

12. **Adjourn**

RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
December 9, 2009

The Bismarck Renaissance Zone Authority met on December 9, 2009 in the 2nd Floor Conference Room in the City-County Office Building at 221 North 5th Street. Authority members present were Parrell Grossman, Chuck Huber, George Keiser, Kevin Magstadt, Carol Vondrachek and Curt Walth. Technical Advisor Bruce Whittey was present. Staff members present were Jason Tomanek, Kimberley Gaffrey, Kim Lee, Carl Hokenstad, Brenda Johnson and Deb Goodsell. Guests present were LaRoy Kingsley (Kranzler Kingsley), April Eide (Duemelands Commercial), Dave Pankow (IRET Properties), Lee Erickson (IMM), Mike Gregory (IMM), Steve Braus (St. Mary's Church) and Dawn Kopp (Downtowners).

CALL TO ORDER

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

MINUTES

The minutes of the November 12, 2009 meeting were distributed with the agenda packet

MOTION: A motion was made by Keiser Mr. Keiser and seconded by Ms. Vondrachek to approve the minutes of the November 12, 2009 meeting as received. The motion passed unanimously with members Grossman, Keiser, Magstadt, Vondrachek, and Walth voting in favor.

Authority Member Huber arrived at the meeting.

RENAISSANCE ZONE PROJECT APPLICATION

A. 501 East Main Avenue – Kranzler Kingsley Communications, LTD – Lease

Mr. Tomanek gave an overview of the lease project by Kranzler Kingsley Communications LTD for the building at 501 East Main Avenue. Mr. Tomanek said that upon completion of the renovation for the above-mentioned property by Kranzler Kingsley Communications LTD, the applicant is proposing to expand their current lease of space and rehabilitate a portion of the 1st floor and the entire 2nd floor in the building at 501 East Main Avenue (Cross Roads on Main) for office space. The owner of the building, Dakota Building Partnership, purchased the building as a separate Renaissance Zone project in 2003. The building floor area is 20,319 square feet and the applicant's lease area would be 7,865 square feet, with an estimated income tax benefit of 17,000 over five years.

Mr. Tomanek then 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 lease will be for an expanding business within the Zone that currently occupies approximately 5,700 square feet on the second floor of the building. The applicant is proposing to remodel and expand into the entire 7,370 square feet on the 2nd floor in addition to remodeling and expanding to an additional 495 square foot portion of the 1st floor; the total expansion area would be 2,165 square feet.

3. The applicant has indicated that $180,000 -$200,000 would be expended to improve the 7,865 square feet of office space which calculates to $22.89 to $25.43 per square foot.

4. The building has been purchased as a separate Renaissance Zone project.

5. The project completion date is projected for April 15, 2010.

Mr. Tomanek said based on the above findings, staff recommends approval of the designation of the lease of space in the building at 501 East Main Avenue by Kranzler Kingsley Communications LTD, as a Renaissance Zone project, with an exemption from state tax on income derived from the business and investment location for five years beginning with the date of completion.

LaRoy Kingsley said the second floor will be totally remodeled with the removal of walls to open up the space to allow for more employees and increase the usable space by approximately twenty percent. Mr. Kingsley went on to say that along with Dakota Building Partnership's investment, Kranzler Kingsley will be making a significant investment towards the space and is able to do this because of the Renaissance Zone program. Mr. Kingsley concluded by saying that if they were unable to maximize the current space and if it were not for the proposed Quiet Rail Zone, they were seriously considering moving out of downtown.

Mr. Keiser asked what the impact on the property tax valuation is. Mr. Tomanek said that the Assessing Department will assess the improvements and make the appropriate adjustments.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Keiser and seconded by Ms. Vondrachek to recommend approval of the request for designation of the lease of space in the building at 501 East Main Avenue by Kranzler Kingsley Communications LTD, as a Renaissance Zone project, with an exemption from state tax on income derived from the business and investment location for five years beginning with the date of completion. The motion passed unanimously with members Grossman, Huber, Keiser, Magstadt, Vondrachek, and Walth voting in favor.

B. 716 East Broadway Avenue – IRET Properties, LP –Rehabilitation

Mr. Tomanek gave an overview of the rehabilitation project by IRET Properties, LP to the building at 715 East Broadway Avenue. Mr. Tomanek said that the applicant is proposing to completely demolish the interior of the building to better accommodate future multiple tenants. Renovations will include enhanced entry points with canopies to the building, creating common areas, new restroom facilities, new lighting in the common areas, and demolition of existing air

handlers, VAVs, ductwork and temp controls. Reusing the existing major HWS and HWR pipe loop, boilers and pumps, new water source heat pumps, energy recovery duct work, cooling tower, HW BTU metering system and ATC temperature controls, consolidation of all electrical, telephone, access system, and fire panels to one mechanical room, removal of old connector hallway, removal and replacement of the old roof system to include R24, 4-ply built-up roof system tapered to drains and minor exterior "touch ups". Mr. Tomanek stated that that the current assessed value is $1,251,000, the proposed investment value is $1,136,650, and the estimated value after improvements is $1,818,000. Mr. Tomanek said that the estimated property tax benefit over 5 years is $125,287 and $0.00 in State income tax benefits.

Mr. Tomanek then 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 exterior rehabilitation would be sufficient to eliminate any and all deteriorated conditions on the exterior of the building. Exterior modifications include removing the former connector hallway between the building and the former tower building to the south and the repair of minor exterior damages to the existing EIFS material. The materials proposed would be EIFS which would be consistent with the current exterior covering of the entire building. In the downtown zoning districts EIFS is not typically considered an acceptable material as the primary building exterior finish. Previously EIFS was deemed appropriate by the Renaissance Zone Authority for the new construction project at 122 East Main Avenue and the exterior remodel of the building at 100 West Broadway Avenue. Since the existing building is entirely clad in EIFS the continued use of the material is justified.

3. Rehabilitation projects require a minimum investment of 50% of the assessed building value in order to qualify for Renaissance Zone project designation. The proposed capital investment is approximately 91% of the City's assessed value for the building which calculates to $50.00 per square foot.

4. The off-street parking lot is an existing lot with no modifications proposed. In the past the Renaissance Zone Authority has required the addition of plant materials and/or decorative fencing to aesthetically improve the appearance of the off-street parking areas. The landscaping and screening ordinance (14-03-11) requires perimeter parking lot screening when new or modified off-street parking is adjacent to the public right-of-way; this is accomplished through the use of trees, shrubs and/or a decorative fencing. If a decorative fence is preferred, it shall conform to the criteria set forth in the adopted Streetscape Guidelines for Downtown Bismarck (May 1995). Landscaping exists in the form of street trees within the public right-of-way along Broadway Avenue and 7th Street. Currently there are no shrubs, perennials or decorative fencing providing screening of the parking area adjacent to the right-of-way. The off-street parking area would be considered non-conforming by current standards due to the lack of shrubs/fencing screening the designated parking areas. Based on the site plan and current conditions the necessary separation between the parking stalls and the sidewalk may be too prohibitive to allow for sufficient space for the plant material to be installed and maintained.

Mr. Tomanek said based on the findings, staff recommends approval of the designation of the rehabilitation of the building at 715 East Broadway Avenue by IRET Properties, LP 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 Renaissance Zone Authority consider a waiver from Section 14-04-21.2 (DF - Downtown Fringe) of the City Code of Ordinances to allow the use of EIFS/Dry-Vit material as an exterior building material in lieu of the use of brick, stone architectural concrete or pre-cast concrete, or an equivalent or better.

2. The landscaping and screening requirements shall be provided in accordance with the Section 14-03-11 (Landscaping and Screening) of the City Code of Ordinances through the use of perimeter parking lot screening elements such as trees & shrubs or a decorative fence in locations where the off-street parking lot(s) are adjacent to the public right-of-way and street/boulevard trees as determined to be appropriate by the City Forester. If a decorative fence is preferred, it shall conform to the criteria set forth in the adopted Streetscape Guidelines for Downtown Bismarck (May 1995).

Mr. Keiser asked if any of the landscaping or fence can be done on the concrete versus the asphalt. Mr. Tomanek responded by saying that landscaping is typically contained to the property because the sidewalk is the public right-of-way.

Vice Chairman Walth suggested a one way drive lane to allow for adequate parking and the landscaping and fence. Mr. Tomanek added that there is nothing in the ordinance that states drive lanes and parking areas need to be a designated width. Mr. Whittey commented that with a one way drive lane, angled parking could be accommodated.

Dave Pankow said that since the building will still have the same use, the parking will remain the same and the site plan will be reviewed for the landscaping requirements and recommendations.

Mr. Whittey asked if this building meets the window requirements for the Renaissance Zone. Mr. Tomanek said the building is in the Downtown Core District so the windows should comply with the requirements of 50%. The general consensus of the members present was that the current window configuration is adequate.

Mr. Whittey suggested that the site plan be reviewed and revised to allow accommodations for the landscaping, parking and traffic flow because there are a lot of unresolved issues.

Vice Chairman Walth asked if there are any requirements for repair of the parking lot. Mr. Tomanek responded by saying that there is not an ordinance that requires parking lot repair. Mr. Pankow said that IRET Properties are noted for their long term property ownership and the necessary repairs and improvements will be made to keep the property looking attractive and functional.

Steve Braus from St. Mary's Church asked if this development will affect the 8th Street access to the property. Mr. Hokenstad responded by saying it will most likely remain the same as it is now. Mr. Pankow said at this time the guard rail will not be put back up.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Keiser and seconded by Mr. Magstadt to recommend approval of the designation of the rehabilitation of the building at 715 East Broadway Avenue by IRET Properties, LP 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 Renaissance Zone Authority consider a waiver from Section 14-04-21.2 (DF - Downtown Fringe) of the City Code of Ordinances to allow the use of EIFS/Dry-Vit material as an exterior building material in lieu of the use of brick, stone architectural concrete or pre-cast concrete, or an equivalent or better; and 2). The landscaping and screening requirements shall be provided in accordance with the Section 14-03-11 (Landscaping and Screening) of the City Code of Ordinances through the use of perimeter parking lot screening elements such as trees & shrubs or a decorative fence in locations where the off-street parking lot(s) are adjacent to the public right-of-way and street/boulevard trees as determined to be appropriate by the City Forester. If a decorative fence is preferred, it shall conform to the criteria set forth in the adopted Streetscape Guidelines for Downtown Bismarck (May 1995). The landscape plan shall be reviewed by the Renaissance Zone Authority prior to implementation and installed in conjunction with the rehabilitation project. The motion passed unanimously with members Grossman, Huber, Keiser, Magstadt, Vondrachek, and Walth voting in favor.

TECHNICAL ADVISOR TO THE RENASSIANCE ZONE AUTHORITY

Mr. Tomanek said that with Warren Tvenge resigning as a Technical Advisor, the Renaissance Zone Authority should appoint another Technical Advisor to assist Bruce Whittey. Vice Chairman Walth said the Renaissance Zone Authority needs to make a recommendation to the Board of City Commissioners for the new Technical Advisor. After discussion it was the general consensus of the Renaissance Zone Authority to contact Jeff Ubl, Jeff Welch and Al Koiser inquire if any of them would be interested in the Technical Advisor position.

CORE INCENTIVE PROGRAMS

It was the general consensus of the Renaissance Zone Authority to schedule a special meeting for December 17, 2009 at 3:00 p.m. to discuss the Renaissance Zone Guidelines and the CORE Incentive Programs in detail.

RENAISSANCE ZONE AUTHORITY MEMBERS – EXPIRED TERMS

Mr. Tomanek said that George Keiser and Chuck Huber's membership terms expire in December 2009 and Mr. Hokenstad has been discussing this matter with Mayor Warford on how to proceed. Chuck Huber and George Keiser both said they both would like to serve another three year term.

STATUS OF APPROVED RENAISSANCE ZONE PROJECTS

Mr. Tomanek said the lease projects for the Blarney Stone, Cavalier Homes, and Jim Poolman Consulting, as well as the rehabilitation project for the building at 408 East Main Avenue have been closed out.

STATUS OF APPROVED CORE INCENTIVE PROJECTS

Mr. Tomanek said that no CORE Incentive Program Projects have been closed out in the last month.

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 5:23 p.m.

Respectfully Submitted,

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Kimberley Gaffrey
Recording Secretary

APPROVED:

_____
David Blackstead
Chair

RENAISSANCE ZONE AUTHORITY
SPECIAL MEETING MINUTES
December 17, 2009

The Bismarck Renaissance Zone Authority met on December 17, 2009 in the 2nd Floor Conference Room in the City-County Office Building at 221 North 5th Street. Authority members present were Dave Blackstead, Parrell Grossman, Chuck Huber, George Keiser, Kevin Magstadt, Carol Vondrachek and Curt Walth. Technical Advisory present was Bruce Whittey. Staff members present were Jason Tomanek, Kimberley Gaffrey, Kim Lee, Charlie Whitman and Brenda Johnson.

CALL TO ORDER

Chair Blackstead called the meeting to order at 3:00 p.m.

CORE INCENTIVE AND RENAISSANCE ZONE PROGRMS - DISCUSSION

Mr. Tomanek stated that the purpose of the special meeting is to discuss and resolve the policy issues with the CORE Incentive Programs and the Renaissance Zone Programs and how they are able to be used by future applicants.

Mr. Huber said that at one time an applicant could not use both programs on the same project, and then it was changed where both programs could be used on the same project as long as it was new money.

Mr. Whittey suggested the real problem is, and according to Mr. Keiser the State will address this, when an owner of a building holds the majority and also claims income tax credit. Mr. Keiser asked if the Renaissance Zone Authority going to make the decision or wait for the State to make the decision. Mr. Whittey stated that maybe the policy should state that if the building is owner occupied, the owner and/or their relatives could not receive the property tax benefit and the income tax benefit.

Mr. Whitman said the questions that need to be answered are can both programs be used on the same project and how should the Renaissance Zone Programs that offer income tax benefits and property tax benefits be structured. Mr. Whitman continued by saying it is not uncommon for an entity to own the building and then rent it to itself, under a different entity, both having the same ownership for tax purposes and liability reasons.

Mr. Walth commented that he is concerned with an applicant doing a Renaissance Zone project and then coming back again with a CORE Façade Incentive project, when the façade work should have been included in the Renaissance Zone project. The Renaissance Zone Authority should be more diligent in making sure this happens and not allowing the two applications. Mr. Whitman said that would be hard to regulate unless the rule is if you use one program, you are not allowed to use the other program, however there are loop holes with that as well. Mr. Whitman stated that the applicant could simply wait one year after the project is complete and submit another application using a different program.

Mr. Tomanek added that originally the CORE Programs were set up for applicants that were doing more of a maintenance type project, that would not qualify as a Renaissance Zone project and the Renaissance Zone Programs were for rehabilitation. In February 2009 that policy was amended to allow an applicant to apply for both programs with different monies.

It was the general consensus of the Renaissance Zone Authority that being able to use both programs is an issue and should be addressed.

Mr. Whitman said the next issue is within the Renaissance Zone Program and whether or not an applicant leasing to itself, is eligible for an income tax benefit as well as a property tax benefit. Mr. Whitman continued by saying that, staff members would like the Renaissance Zone Authority to come up with clearly defined rules so staff does not bring questionable applications to the Renaissance Zone Authority.

Mr. Whittey added that the way the programs are being used now and the perception are inappropriate. A business owner should choose which type of benefit they want to receive and attract potential tenants with the five-year income tax exemption as an incentive. Mr. Whittey said that it is a recruiting tool to bring tenants into the building and making the investment worth it, while receiving the property tax benefit from doing the Renaissance Zone project. Mr. Whittey concluded by saying if people want to form a cooperative, they will do it regardless of receiving Renaissance Zone Program incentives, because there is already an advantage from forming a cooperative.

Mr. Huber commented that the applicant could choose either Renaissance Zone Rehabilitation or Lease Project because the investment in the project will be enough to qualify them for a lease exemption. Mr. Tomanek stated with a $10 per square foot investment, so the applicant could either decide between five years of property tax exemptions or State income tax exemptions.

Mr. Walth suggested that if an applicant applies for a Renaissance Zone Project, then a CORE Façade will not be allowed for three to five years after, however, CORE Signage and Technical Assistance Bank Grants would be allowed.

It was the general consensus of the Renaissance Zone Authority that staff will prepare proposed revisions for the policies according to the discussions and present it at the next special meeting, scheduled for January 4, 2010.

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 4:14 p.m.

Respectfully Submitted,

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Kimberley Gaffrey
Recording Secretary

APPROVED:

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David Blackstead
Chair

RENAISSANCE ZONE AUTHORITY
SPECIAL MEETING MINUTES
January 4, 2010

The Bismarck Renaissance Zone Authority met on January 4, 2010 in the 2nd Floor Conference Room in the City-County Office Building at 221 North 5th Street. Authority members present were Dave Blackstead, Parrell Grossman, Chuck Huber, George Keiser, Kevin Magstadt, Carol Vondrachek and Curt Walth. Staff members present were Jason Tomanek, Kimberley Gaffrey, Kim Lee, Carl Hokenstad, Charlie Whitman and Brenda Johnson.

CALL TO ORDER

Chair Blackstead called the meeting to order at 3:00 p.m.

CORE INCENTIVE AND RENAISSANCE ZONE PROGRMS - DISCUSSION

The proposed revisions were distributed to the Renaissance Zone Authority members for review. The proposed revisions were as follows:

1. An applicant will need to decide which program (CORE or Renaissance Zone) they will apply for.

2. If an applicant applies for and receives designation as a Renaissance Zone project, it is ineligible for CORE programs during the life of the Renaissance Zone project.

3. If an applicant receives a CORE grant, it may not apply for a Renaissance Zone project for 2 years after receipt of the CORE grant except for Architect Assistance or Signage grants.

4. If an applicant applies for and receives designation as a Renaissance Zone purchase, purchase and rehab or rehab project, the applicant may not also apply for a state income tax exemption under a lease to itself. An applicant (lessee) may not be granted a lease benefit if it owns or has any ownership interest in the building. Ownership interest would include a partnership interest, corporate interest or any family interest in the ownership of the building. Family interest would include parents, grand parents, siblings, spouse, children, in-laws or any significant relationship intended to defeat the prohibition against the owner leasing to itself. Renaissance Zone Lease projects should be limited to leases to third parties.

Chair Blackstead said he understands that Item 1, 2 and 3 would go to the Board of City Commissioners for final approval, however, Item 4 will be handled differently. Chair Blackstead then asked how Item 4 would be addressed. Mr. Tomanek said because there would be changes to the Renaissance Zone Development Plan it must be given final approval from the Bismarck School District, Burleigh County and the State, as well as the Board of City Commissioners. Mr. Tomanek continued by saying a public hearing would have to be held with the Renaissance Zone Authority as well.

Mr. Walth inquired why the other boards have a say in the changes to the policy. Mr. Whitman explained that they were involved in the adoption of the Bismarck's Renaissance Zone Development Plan. Mr. Keiser further explained that originally those boards were not involved and disputed it at the legislature because political subdivisions were making decisions that had a negative impact on their revenues and they wanted to be a part of that decision process.

Mr. Keiser asked what the definition is of "the life of the Renaissance Zone Project". Mr. Tomanek responded by saying five years and it cannot be extended, however the new tenant can assume the remaining balance. After the five-year period has expired the new tenant can submit an application for a lease project that would have to meet the guidelines by making a required investment.

It was the general consensus of the Renaissance Zone Authority the following items will be he proposed revisions for the policies according to the discussions.

1. An applicant will need to decide which program (CORE or Renaissance Zone) they will apply for.

2. If an applicant applies for and receives designation as a Renaissance Zone project, it is ineligible for CORE programs for at least two (2) years after the Renaissance Zone project has been closed out, excluding CORE Signage Grant and the Technical Assistance Bank.

3. If an applicant receives a CORE grant, it may not apply for a full rehabilitation Renaissance Zone project for two (2) years after receipt of the CORE grant except for Technical Assistance Bank and CORE Signage grants.

4. If an applicant applies for and receives designation as a Renaissance Zone purchase, purchase and rehab or rehab project, the applicant may not also apply for a state income tax exemption under a lease to itself. An applicant (lessee) may not be granted a lease benefit if it owns or has any ownership interest in the building. Ownership interest would include a partnership interest, corporate interest or any family interest in the ownership of the building. Family interest would include parents, grand parents, siblings, spouse, children, in-laws or any significant relationship intended to defeat the prohibition against the owner leasing to itself. Renaissance Zone Lease projects should be limited to leases to third parties.

MOTION: A motion was made by Mr. Grossman and seconded by Ms. Vondrachek to approve the proposed revisions with the agreed upon changes, with members Grossman, Keiser, Magstadt, Vondrachek and Walth voting in favor of the motion and members Blackstead and Huber voting against. The motion passed 5 to 2.

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 4:01 p.m.

Respectfully Submitted,

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Kimberley Gaffrey
Recording Secretary

APPROVED:

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David Blackstead
Chair

OFFICIAL URBAN RENEWAL PLAN

CITY OF BISMARCK

BISMARCK, NORTH DAKOTA

CENTRAL CITY REDEVELOPMENT PROJECT

AS MODIFIED

SPECIFIC IMPROVEMENTS PLAN

Block 68, Original Plat (O.P.) Parking Ramp

Date

OFFICIAL URBAN RENEWAL PLAN

A. Description of Project

1. Boundaries of Block 68 Original Plat (O.P.) Urban Renewal Project Area

The boundaries of the Block 68 O.P. parking ramp are as shown on Map No. 1 attached hereto and made a part hereof. Previous improvements within the boundaries of the Urban Renewal Project Area have accomplished rehabilitation, conservation and redevelopment of portions of the Urban Renewal Plan area which are necessary and in the public interest for the completion of an adequate urban renewal plan for the central City. This entire area is deemed appropriate for an urban renewal project, having originally consisted of a combination of slum and blighted areas, some of which have heretofore been rectified. The Block 68 O.P. parking ramp is located entirely within the Urban Renewal Project Area.

2. Objectives of the Urban Renewal Plan

The general objectives of the Urban Renewal Plan are:

a. To arrest the decay pattern of sprawl and fragmentation of the core area by reinforcing the core as a "central place" of regional and local service and commerce.

b. To stimulate and provide a climate for local and regional growth and permit the expansion of existing retail and professional facilities and promote the introduction of new retailing, transient and permanent housing facilities and professional services.

c. To maintain and improve the core area by encouraging investment through the use of various programs.

d. To re-establish the core area as a focal place appropriate and suitable for the interaction of ideas, events and human activities by:

1) Eliminating existing blighting conditions such as substandard and/or obsolete structures; impediments to the assemblage of adequate reuse sites; overhead utility lines; land use conflicts; undersized lots; lack of open space and amenities.

2) Improving existing circulation routes for both vehicles and pedestrians.

3) Provide adequate parking for existing and new uses in centralized parking areas within a reasonable pedestrian distance from the uses to be served.

4) Encouraging new development in conformance with the objectives of the plan to emphasize place and purpose of each structure and a conscious effort to establish unity and coherence in the new architecture.

5) Providing for future growth and a high level of core development by:

   a) Establishing and implementing public actions directed at supporting and assisting the renewal plan.

   b) Encouraging increased parking facilities when demand justifies.

   c) Establishing a program of rehabilitation of the structures to remain so that they will be compatible with anticipated new development.

3. Proposed Specific Improvement Actions for the Block 68 O.P. Parking Ramp

A. Construction of an automobile parking ramp on the East half of Block 68, Original Plat.
The ramp will be located on the entire east half of this block with the exception of the Kokkeler Jewelry parcel. The land under the proposed ramp is owned by the City of Bismarck or MedCenter One. MedCenter's land will be donated to the project. Demolition of three existing structures and a surface parking lot is included in the project.

The ramp will measure approximately 225 feet by 140 feet plus access points. Primary entry access will be provided on 6th Street with exit onto Thayer Avenue. This parking facility will be of post tension concrete construction with sloping floors and 75 degree angle parking with a one-way traffic flow pattern. The ramp will include either five or six levels having spaces for between 410 and 490 cars. It will feature an architectural enhanced exterior for aesthetic purposes. The foundation system will consist of either drilled concrete caissons or driven pile. A stair/elevator tower will be provided on the northeast corner of the building with an additional stairtower located on the southwest corner of the structure.

The project is expected to cost between $7,072,958 and $8,371,343 depending on the bids received and the alternates chosen. The project will

be financed with a combination of parking revenue from spaces within this ramp, parking revenue from other ramps currently operated by the Bismarck Parking Authority and tax increment funds. A complete financial package for the project will need to be completed after bids are received but current estimates are for tax increment funding needed for the project to be between $5,400,000 and $7,000,000. The remainder of the project would be financed with parking revenues.

This project is important to the prevention of urban blight and furtherance of economic development in the downtown area in accordance with the Official Urban Renewal Plan in several ways. The project will demolish several marginal buildings in the downtown. The buildings are in various stages of deterioration and are largely functionally obsolete. It will serve to enhance the quality of development in this area of the downtown through the use of an architecturally enhanced building design. The other major advantage to redevelopment of the downtown will, of course, be the addition of a sizeable parking resource that will allow the use of present parking lots for future structures.

This project supports Urban Renewal Plan Objectives A,B,D1,D3,D4 and D5.

BISMARCK RENAISSANCE ZONE AUTHORITY
STAFF REPORT

BACKGROUND:

Title:
J & J Smith Property Management, LLC – Purchase with major improvements

Status: Renaissance Zone Authority	**Date:** January 13, 2010
Street Address: 115 North 4th Street	**Legal Description:** Lots 19-20, Block 48, Original Plat
Project Type: Purchase with Major Improvements	**Renaissance Zone Block Number:** Block Number 20
Applicant: J & J Smith Property Management, LLC/Jody Smith	**Owner:** Howard Malloy

Project Description:

The applicant is proposing to purchase and rehabilitate the interior of the building at 115 North 4th Street for use as retail and professional office space. The rehabilitation will include the conversion of 6,000 SF of the building back to retail space and to finish and utilize unused space in the building's lower level and 2nd floor.

PROJECT INFORMATION:

Parcel Size: 7,000 square feet	**Building Floor Area:** 11,259 square feet	**Certificate of Good Standing:** In process
Assessed Value of Building: $294,400 (building only)	**Proposed Investment:** $120,000+	**Estimated Value w/Investment:** $437,000
2008 Property Taxes: $7,159	**Estimated Property Tax Benefit:** $25,000 over 5 years (100%)	**Estimated Income Tax Benefit:** $2,500 over 5 years

PROJECT REVIEW GUIDELINES:

High Priority Land Use: Yes – retail/professional offices	**Targeted Area:** Yes – partially vacant building	**Public Space/Design:** No – no changes to exterior
Capital Investment: Yes - significant	**New/Expanding Business:** Yes – expanding business	**Historic Property:** Yes - Contributing

FINDINGS:

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

2. At this time there are no definitive plans to modify or rehabilitate the exterior of the building. The applicant is also requesting assistance from the CORE Technical Assistance Bank to secure the services of an architect to design, and prepare costs estimates for a renovated façade. The applicant has indicated that the exterior rehabilitation of the property is expected to occur at a later date as part of the CORE Façade and Signage Incentive Program. The updates would be professionally designed and historical aesthetics would be considered in all aspects of the project.

3. Using the 2009 assessed value of the building ($294,400) and the estimated investment of $120,000, the level of re-investment is approximately 41 percent. With a proposed investment of 41 percent of the building's assessed value the applicants would be exempt from 80 percent of the property taxes for a period of five years. Historically Renaissance Zone Purchase Projects have been modified to allow for an increased property tax exemption if the final rehabilitation costs exceed the original estimates and would allow for a higher property tax exemption level.

findings continued.....

4. The applicant currently owns an existing bridal store in downtown Bismarck. It is the applicant's intent to own and rehabilitate the building as a separate property management company with the understanding that the bridal shop would be a tenant in the building occupying the majority of the lease-able space. Currently there is a professional office that occupies space on the first floor. The applicant is working with the professional office to consider leasing space on the second floor of the building to allow for an expanded first floor retail space and use of the unfinished space on second floor.

5. The applicant is proposing to add two staircases (one leading to the basement and one leading to the 2nd floor), demolish and renovate the main floor for use as retail space, construct new walls, ceilings and flooring on the 2nd floor for use as office space and a 2,500 SF area for an apartment or commercial space, install and additional bathroom on the 2nd floor, update current bathrooms, install 3 or 4 new windows on the current 2nd floor apartment space, install new wall and floor coverings throughout the rehabilitated areas, install new wiring and lighting in rehabilitated areas.

6. The applicant anticipates that the building will be occupied and open for business by October 2010.

7. Currently there are two street trees within the public right-of-way directly in front of the building. These trees satisfy the landscaping and screening ordinance. There is no off-street parking associated with this building; therefore the parking lot screening portion of the landscaping and screening ordinance shall not be considered.

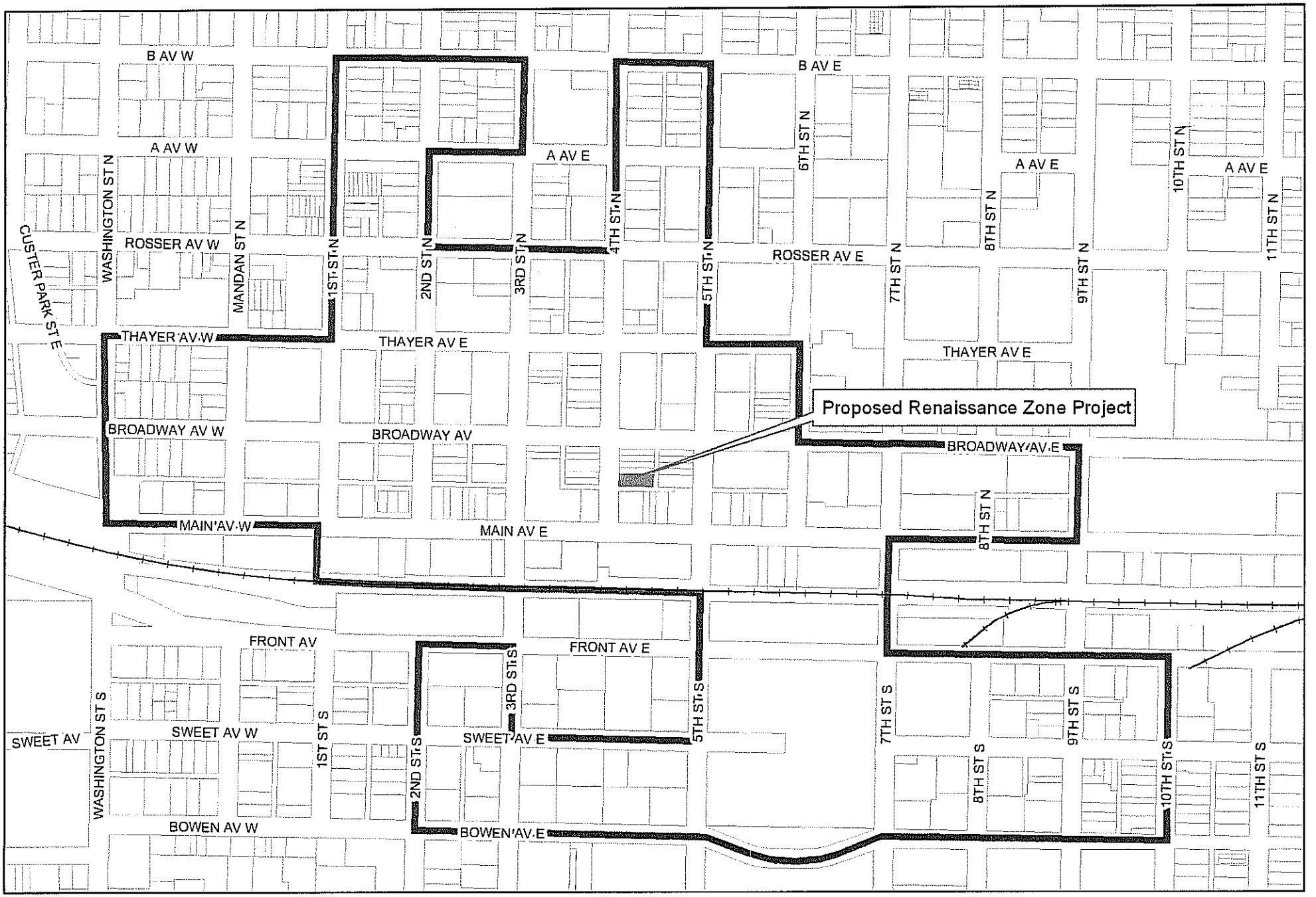
RECOMMENDATION:

Based on the above findings, staff recommends approval of the designation of the purchase with major improvements to the building at 115 North 4th Street by J & J Smith Property Management, LLC a Renaissance Zone project, an 80% 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.

PROJECT INFORMATION:	
Title: J & J Smith Property Management, LLC – Purchase w/ Major Improvements	**Project Type:** Purchase with Major Improvements
Current Valuation: $294,400 (building only)	**Proposed Investment:** $120,000+

	MINIMUM CRITERIA:	Possible Points	Staff Rating
	Proposals Involving a Purchase with Improvements:		
1	Use consistent with the Renaissance Zone Development Plan Specific goals: A1, A3, B2, C1, D1, D2, & D3	20	20
2	Significant level of re-investment based on guidelines for purchase projects Proposed re-investment total: 41%	20	20
	Subtotal	**40**	40
	PROJECT REVIEW GUIDELINES - REQUIRED:		
1	High Priority Land Use • Primary sector business • Active commercial, specialty retail and/or destination commercial • Mixed use development • Residential units, including single or multi-family units	15	15
2	Capital Investment • Consideration for level of capital investment	15	15
3	Targeted Area • Parcels that have been vacant or underutilized for an extended period • Parcels specifically targeted for clearance	15	15
4	Relocation (vs. New or Expanding Business) • Relocation from within the downtown area (may not be eligible) • Relocation from a community outside Bismarck area (may not be eligible) • Maintaining existing business in the downtown area or expanding business	15	15
	Subtotal	**60**	60
	TOTAL	**100**	100
	PROJECT REVIEW GUIDELINES – OPTIONAL:		
1	Public Space/Design • Incorporation of civic or public spaces • Demonstrated commitment to strengthen pedestrian connections • Attention to streetscape amenities and landscaping • Attention to design and visual appearance	10	0
2	Historic Preservation and Renovation • Within the downtown historic district • Contributing or non-contributing • Historic preservation component	10	0
	Additional Optional Points	**20**	0
	TOTAL	**120**	100

Proposed Renaissance Zone Project - 115 North 4th Street - Purchase With Improvements



City of Bismarck - Community Development Department - Planning Division

0 250 500 1,000 Feet

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December 2009

RECEIVED
DEC 15 2009

J&J Smith Property Management, LLC
7920 Country Brook Road
Bismarck, ND 58503
(701) 221-0655

December 14, 2009

Renaissance Zone Authority
c/o Bismarck Planning Departmnet
221 North 5th Street
Bismarck, ND 58501

Re: Renaissance Zone Application 115 N. 4th Street

Dear Members of the Renaissance Zone Authority:

We hereby submit the following information in support of our application for Renaissance Zone approval on a purchase with improvement project located at 115 N. 4th Street in downtown Bismarck, N.D.

PROJECT DESCRIPTION:

This project is the purchase and rehabilitation of the building located at 115 N. 4th Street. The overall project rehabilitation will include the conversion of approximately 6,000 square feet of the building back to retail space and also to finish and utilize unused space in the building, including the basement and the back portion of the second floor.

As the purchase agreement on this property has recently been signed, and an architect has not yet been hired to work on the plans for the property, the cost of the rehabilitation is not yet known. It is anticipated the cost of this project will be at least $120,000.

PROPERTY INFORMATION:

The property was constructed in 1930 and is currently owned by Howard Malloy. Historically, the building housed the JC Penny Co., and thereafter an Osco Drug store. Currently the street level of the building is being used as office space and occupied by three entities, SWCA Environmental Consultants, Cichy Law Firm and John Dwyer Consulting. The second floor of the building houses a 3,000 square foot residential apartment space and the basement is configured with multiple rentable storage units.

Proposed floor plans are currently not available as the final property purchase contract was signed December 11, 2009. The purchaser will be working with an architect and city authorities over the next few weeks to draw proposed floor plans and will provide those plans and photographs of the subject property to the Renaissance Zone Authority as soon as such plans are available.

DESCRIPTION OF PROJECT IMPROVEMENTS:

As part of this rehabilitation plan, the bridal store, Bridal N' More, which is currently located at 123 N. 4th Street, will relocate and expand its downtown presence to this newly rehabilitated location.

The bridal store will inhabit approximately 2,500 square feet on the street level of the building, which is currently being used as commercial office space, 2,500 square feet in the basement of the building, which is currently being used as industrial storage, and 1,500 square feet on the second floor of the building, which is currently unfinished space. An additional 2,500 square feet of space located on the second floor will be rehabilitated into either commercial office space or an additional residential apartment. The additional 4,500 square feet located in the basement will be converted into finished storage rooms for the bridal store and other building tenants.

It is anticipated all current tenants will remain in the building, with Cichy Law Firm, John Dwyer Consulting, and the residential renter remaining in their respective spaces. SWCA Environmental Consultants would be relocated to a newly built-to-suit space located on the second floor of the building.

Work to be performed under the rehab project will include:

- The addition of two staircases, one from the street level to the basement and the other from street level to the second floor, which will join the three floors for use by the retail bridal store.
- Demolition and removal of office walls from a 2,500 square foot portion of the street level space and conversation of that space for retail use by the bridal store
- Construction of walls, ceilings and flooring in approximately 1,500 square feet of unused space on the second floor of the building for retail use and the other 2,500 square feet for either commercial office space or an additional residential apartment.
- Demolition of storage fences in the basement and the construction of walls, dressing rooms and finished storage areas.
- Install an additional bathroom on the second floor.
- Update current bathrooms, including floor coverings, vanities, etc.
- Install three or four large new picture windows on the street level.
- Install four new windows in the current second floor apartment space.
- Install new wall and floor coverings throughout rehabilitated areas.
- Install new wiring and lighting in rehabilitated areas.
- Refurbish the façade of the building and install signage.

Some of the items listed above which will be completed in conjunction with the rehabilitation project will be submitted as a CORE project, and are not be included in the final cost of the rehabilitation project.

ADDITIONAL INFORMATION REGARDING THE PROJECT:

Upon completion of this rehabilitation project, the useable space of this building will double from its current level of approximately 10,000 square feet to nearly 20,000 square feet. In addition, the rehabilitated space will be used to expand a current locally owned retail bridal business. The bridal business anticipates it will add at least two additional employees, and more related retail products and services, as a result of this expansion.

Bridal N' More and additional renters of the subject property may qualify for and apply to the Renaissance Zone for approval of state tax exemption in the near future.

RENAISSANCE ZONE GOALS & OBJECTIVES

The proposed project meets or exceeds the following goals and objectives established by the Bismarck Renaissance Zone Authority:

A. Establish the Renaissance Zone as the Center of Business Life, Government and Cultural Opportunity for the Bismarck Region.

   This building is located in a newly updated and thriving retail and restaurant portion of the Renaissance Zone. The proposed project will expand the current mix of the building by returning its primary use to retail activity. The building also will be updated and maintained as a mixed-use area, accommodating service and residential functions. Rehabilitation of this building will allow an existing business in downtown to relocate and expand within the zone.

B. Promote the Renaissance Zone as the Preferred Location for Hotel, Class A Office Buildings, Specialty Retail, Government and Institutional Uses.

   The rehabilitation of this building would allow a current retail specialty store to relocate and expand in the Renaissance Zone. The expansion of this business would include additional specialty products.

C. Maximize Accessibility of the Renaissance Zone from Throughout the Region and Provide Safe, Convenient and Attractive Circulation With the Zone.

   The building is located centrally on Fourth Street between Main and Broadway Avenues, all of which provide 90 minute parking. In addition, the Third Street parking ramp is located within a half block will be used for employee parking, therefore freeing up the 90-minute parking spaces for customers.

D. Arrange Compatible Land Uses in Compact and Orderly Ways to Enhance the Functions of the Renaissance Zone.
The project will incorporate new/expanded specialty retail space on the street level and build new office space on the second level.

E. Encourage a Zone That Upholds Bismarck's Heritage as Well as Recognizes and Takes Advantage of its Pattern of Development.

The project will update and make this historic property more economically viable to the community. The updates will increase accessibility and enjoyment of the inhabitants and customers of the property.

F. Achieve High Quality in the Design and Visual Appearance of the Renaissance Zone.

The quality and visual integrity is of utmost importance to this rehabilitation project. The plans will be professionally designed and historical aesthetics will be considered in all aspect of this project.

TIMETABLE:

It is anticipated that work will begin on the rehabilitation project as soon as the purchase agreement has closed, which is currently set for the end of February. The first area set for rehab will be the second floor office space, which may be occupied by SWCA Environmental Consultants. As soon as that space is finished, the group will move to that location and rehabilitation will begin on the proposed bridal retail area. Rehab of the retail space will start with the street level and basement areas, and the external improvements indicated. It is projected the bridal store will move to the newly rehabilitated location by or before October of 2010. Additional improvements made in the building, such as completion of retail space on the second floor and upgrades to current bathrooms, will be completed by the first quarter of 2011.

ESTIMATED TAX BENEFITS:

The rehab project tax benefit to J&J Smith Property Management, L.L.C., is estimated to be $5,000 per year for five years, for a total of $25,000.

The comapny is unable to forecast its income tax benefit at this point as it is uncertain of the final tenant mix, but it anticipates North Dakota income tax benefits for the business will be approximately $500 per year for five years, or $2,500 total.

CONCLUSION:

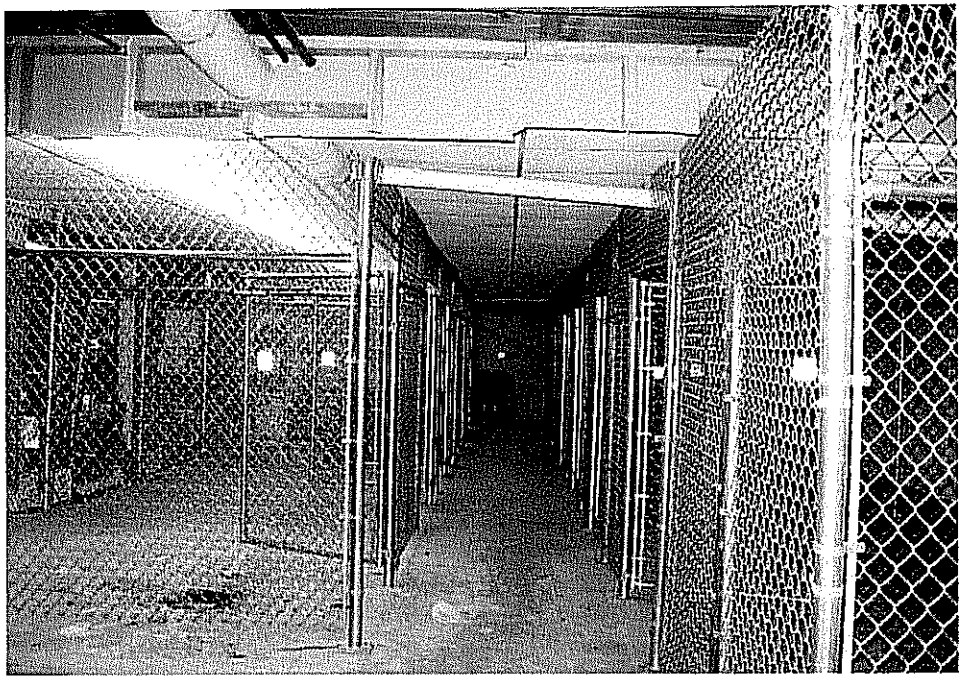
The proposed rehabilitation project will make need improvements to an existing building in the Renaissance Zone. It will utilize previously unused space in the building and expand a successful downtown niche retail bridal business, which will attract new patrons to the area on a daily basis. It will also increase property values and create new jobs in the Renaissance Zone.

We appreciate your consideration of this project and ask for your approval.

Sincerely,

Jody Smith
J&J Smith Property Management

Jeff Smith
J&J Smith Property Management



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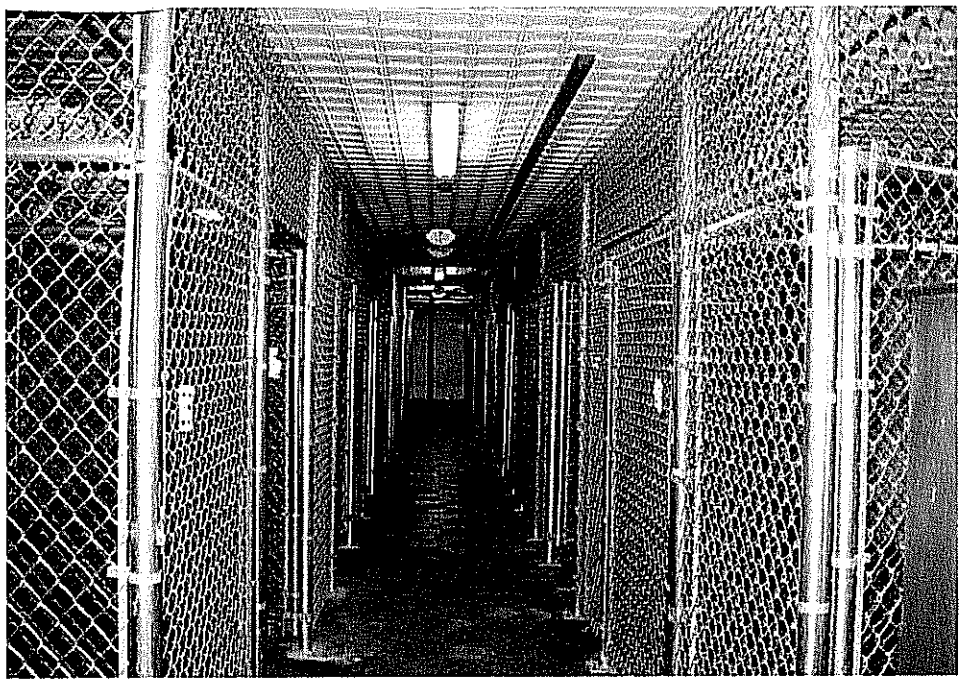
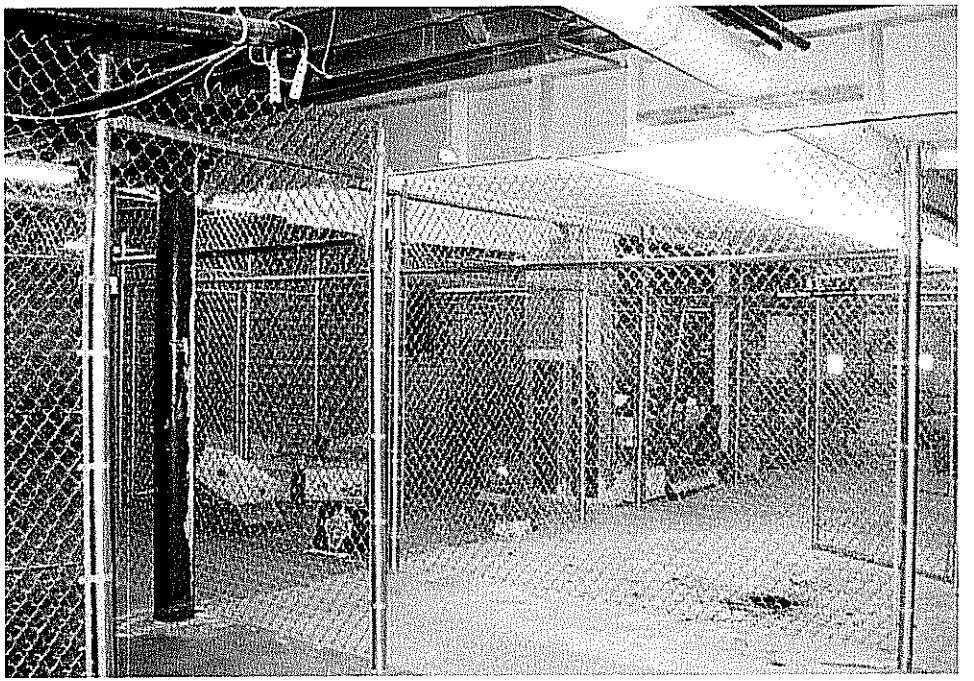
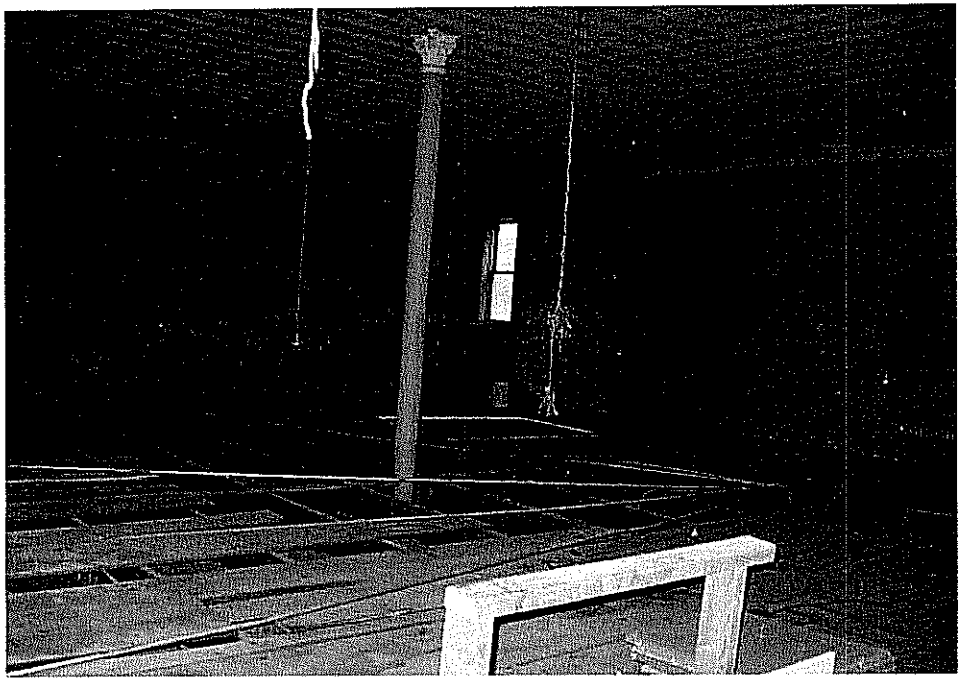
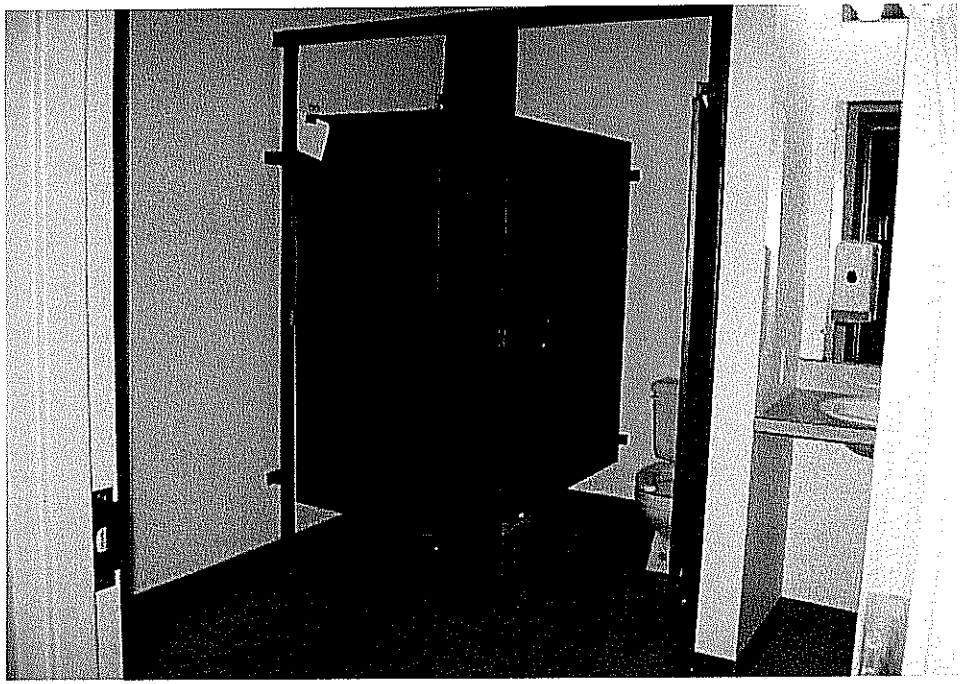
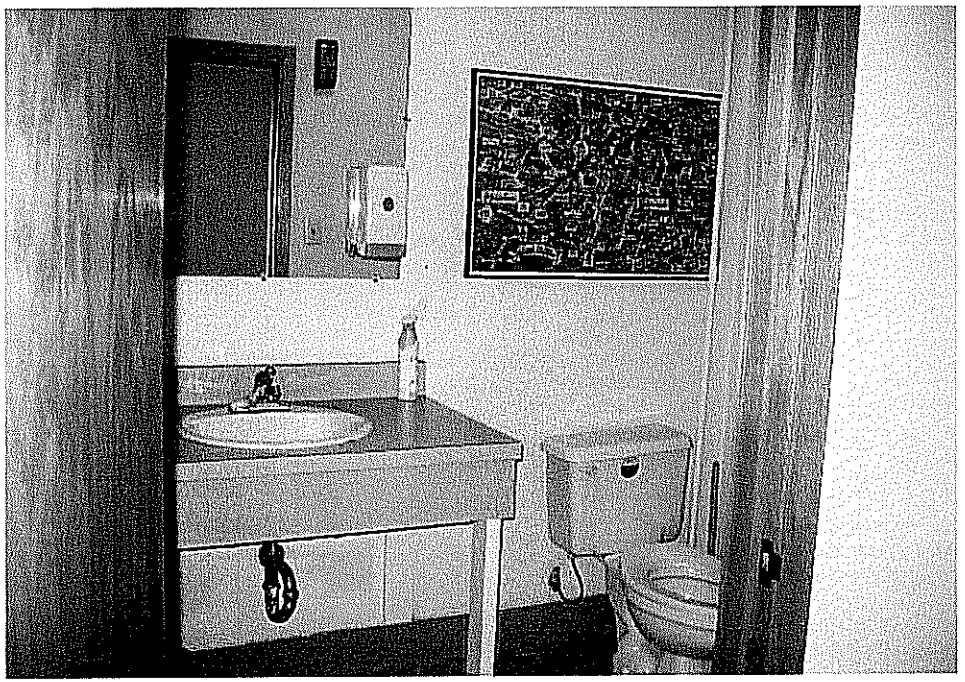










LASS
WITH CARE
Torani

BISMARCK RENAISSANCE ZONE AUTHORITY
STAFF REPORT

BACKGROUND:

Title:
J & J Smith Property Management, LLC (Jody Smith) – CORE Technical Assistance Bank

Status: Renaissance Zone Authority	**Date:** January 13, 2010
Street Address: 115 North 4th Street	**Legal Description:** Lots 19-20, Block 48, Original Plat
Project Type: CORE Incentive Program	**CORE Program:** Technical Assistance Bank
Applicant: J & J Smith Property Management, LLC	**Owner:** Howard Malloy

Project Description:

The applicant is requesting assistance from the CORE Technical Assistance Bank to secure the services of both an architect and a structural engineer for rehabilitation of the building's interior and exterior facade. The assistance would help the owner develop plans and solicit bids for the rehabilitation work to be completed.

PROJECT INFORMATION:

Parcel Size: 7,000 square feet	**Building Floor Area:** 11,259 square feet	**Lease Area:** N/A
Total Project Cost: N/A	**Contractor:** N/A	**Incentive Grant Requested:** Up to $1,575.00 (architectural) Up to $3,675.00 (engineering)

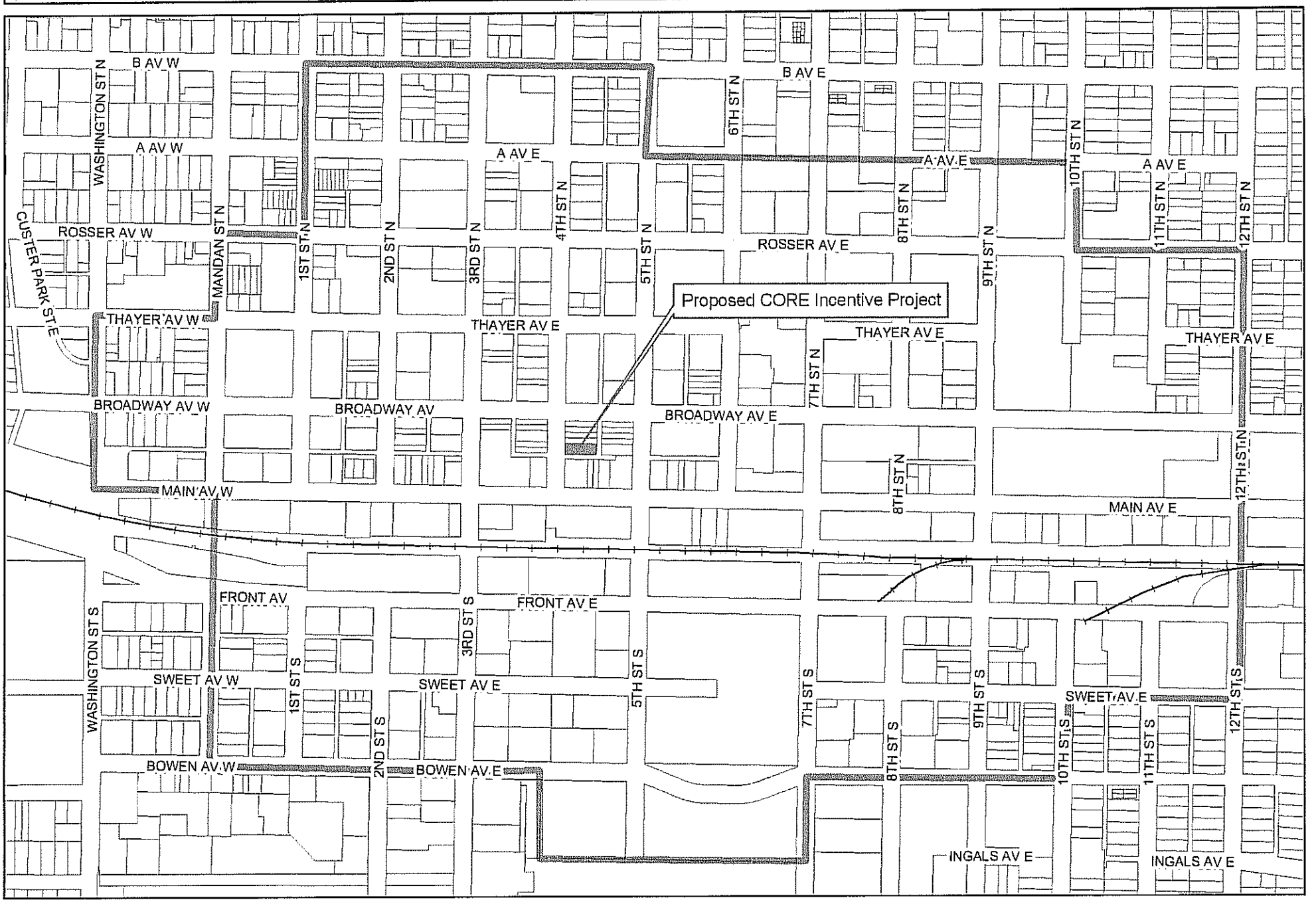
FINDINGS:

1. The building is located within the Downtown Tax Increment Financing District.
2. The applicant would like to fully renovate the building for use as a mixed-use building including commercial & office uses and residential spaces.
3. Technical Assistance Bank grant funds may be used to secure professional services to assist with the preliminary review and design of improvements to a building façade as well as feasibility studies, renovation vs. restoration options, and preliminary cost estimates. The grant amount is limited to 30 hours of architectural work with a rate of $70.00 per hour, and a total dollar amount not to exceed $2,100 <u>and</u> 70 hours of engineering work with a rate of $70.00 per hour and a dollar amount not to exceed $4,900. Applicants will be responsible for a 25% matching contribution. At this time the finite dollar amount has not been established due to the fact that design work will not commence until the final approval from the Board of City Commissioners has been received.
4. The applicant has not requested to work with a specific architect or engineer at this time.

RECOMMENDATION:

Based on the above findings staff recommends approval of the request for a Technical Assistance Bank grants which would allow the applicant to procure the services of a licensed architect <u>and</u> a professional engineer with the condition that the applicant must purchase the building prior to receiving the reimbursement grant. The maximum grant amount would be $1,575 for architectural services and $3,675 for engineering services.

Proposed CORE Incentive Programs Project - 115 North 4th Street



City of Bismarck - Community Development Department - Planning Division

0 250 500 1,000 Feet

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December 2009

CORE Technical Assistance Bank

Architects

- **Al Fitterer Architect PC**
  Al Fitterer
  701.663.7543
- **Architectural Concepts Inc.**
  Richard Bohrer
  701.255.3057
- **J2 Studio Architecture and Design**
  James Devine
  701.255.1622
- **John C. Swanson Architecture and Planning**
  John C. Swanson
  701.258.7048
- **Joseph P. Larrivee Architects PC**
  Joe Larrivee
  701.223.7385
- **Leaf Design Studios**
  David L. Nelson
  701.258.7094
- **Ritterbush-Ellig-Hulsing**
  William Ellig
  701.223.7780
- **Ubl Design Group**
  Jeff Ubl
  701.426.2544

Engineers

- **CW Structural Engineers Inc.**
  Chris Wentz
  701.221.3286
- **EAPC Architects and Engineers**
  Jim Tyler
  701.258.3116
- **Kadrmas, Lee & Jackson Inc.**
  Brian Eiseman
  701.355.8400
- **Prairie Engineering PC**
  Gregory R. Dockter
  701.258.3492
- **Swenson, Hagen & Co.**
  Lon Romsaas
  701.223.2600

BISMARCK RENAISSANCE ZONE AUTHORITY
STAFF REPORT

BACKGROUND:

Title:
100 East Broadway Avenue (Hedahls Inc.) - CORE Façade and Signage Grant (Signage)

Status: Renaissance Zone Authority	**Date:** January 13, 2010
Street Address: 100 East Broadway Avenue	**Legal Description:** Lots 13-24 less the East 10 feet, Block 60, Original Plat
Project Type: CORE Incentive Program	**CORE Program:** Façade and Signage Grant
Applicant: Hedahls Inc./Dick Hedahl	**Owner:** Hedahls Inc.

Project Description:
The applicant wishes to replace two existing signs on the west and south-facing exterior façades of the building with updated panels and lettering. One of the new panels is 3' 1"x 47' and the second panel is 3'1" x 69'.

PROJECT INFORMATION:

Parcel Size: 6,500 square feet	**Building Floor Area:** N/A	**Lease Area:** N/A
Total Project Cost: $7,800.00	**Contractor:** Bacon Signs	**Incentive Grant Requested:** $3,000 (maximum amount)

FINDINGS:

1. The building is located within the Downtown Tax Increment Financing District.

2. The purpose of the Façade and Signage Incentive Grant Program is to promote and stimulate exterior maintenance of commercial buildings in order to enhance the overall appearance, quality and vitality of downtown.

3. The property is not subject to the Special Provisions for the Central Business District in the sign code because it is outside of the boundaries of that area. The proposed sign meets the requirements of Chapter 4-04 of the City Code of Ordinance (Signs and Outdoor Display Structures).

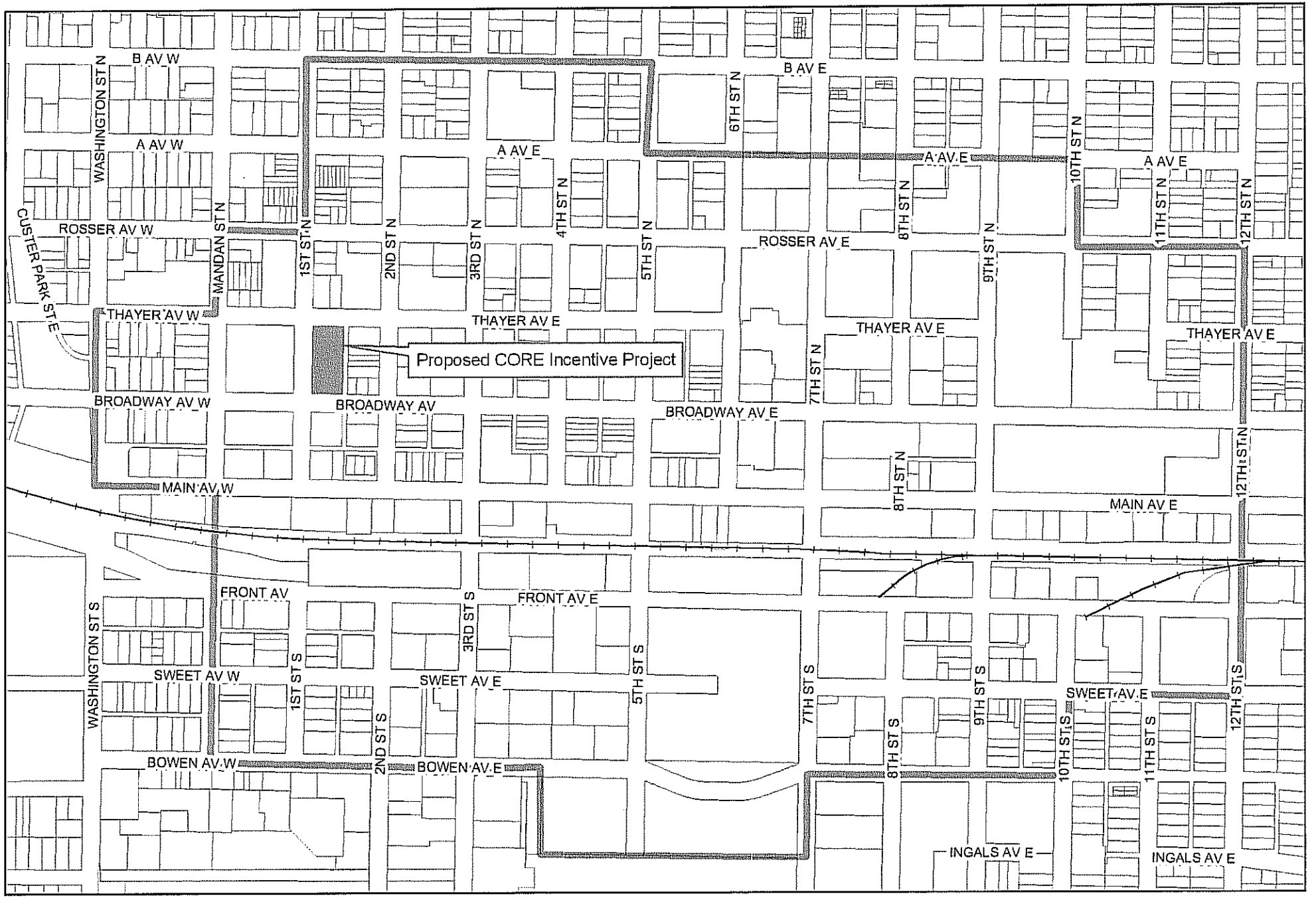
4. The applicant received two bids for the labor and materials. The low bid from Bacon Signs is in the amount of $7,800 for the proposed signs. The second bid from Scenic Sign Corp. is for $8,169.50.

5. Under the Façade and Signage Grant guidelines the maximum dollar amount is $3,000 for signage projects. Each project requires a 50% matching contribution by the applicant. The grant amount requested for this project is $3,000.

RECOMMENDATION:

Based on the above findings staff recommends approval of the request for a CORE Façade and Signage grant which would reimburse the applicant in the amount of $3,000 toward the design, purchase, and installation of new signage at 100 East Broadway Avenue by Bacon Signs.

Proposed CORE Incentive Programs Project - 100 East Broadway Avenue



City of Bismarck - Community Development Department - Planning Division

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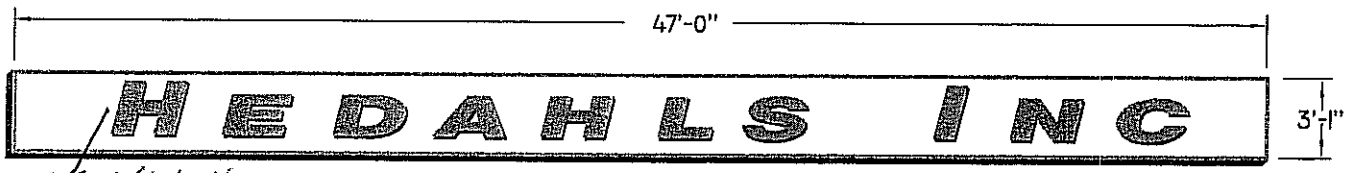
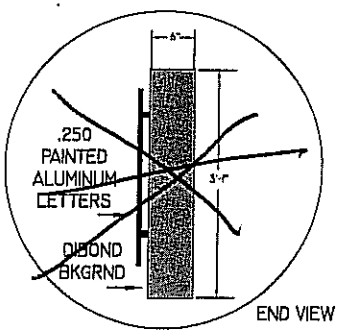
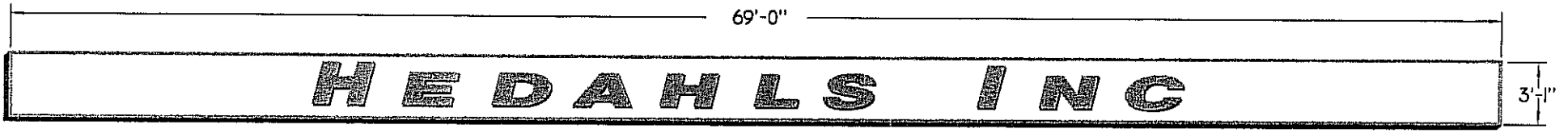
December 2009



24" Letters





~~EXTRUDED CABINETS & RETAINERS Painted CHARCOAL w/ FLAT CUT-OUT .250 ALUMINUM LETTERS Mounted w/ Standoffs to EXISTING FASCIA WHITE BACKGROUND w/ LETTERS Painted CHARCOAL (Measure 24"H and 18.75"H)~~

(1) 3'1"x69' and (1) 3'1"x 47' 3mm Alucobond composite panals with 3M Vinyl letters

This Design Is The Property Of Bacon Signs Inc. Reproduction Of This Design Or Production Of A Sign Similar To The One Embodied Herein, By Anyone Other Than Bacon Signs Inc, Is Prohibited

Note: Computer Generated Colors May Not Accurately Reflect Finish Colors

Account Representative
Neal Schmidt
701-471-7202

☐ Approved as Drawn Date: 11/5/09
☐ Approved as Noted
☐ Make Changes and Re-submit
Customer Signature

BACON SIGNS
• S I N C E 1 9 0 1 •

701-852-0331 Fax 1-701-852-2261 1-800-437-2058 629 20th Ave. SE P.O. Box 3 Minot, ND 58701

RECEIVED

JAN 07 2010

Scenic SIGN CORP.
BOX 881 ST. CLOUD MN 56302 (320) 252-9400

Proposal

Bid: 14083
Date: 01/06/10
Page: 1

Customer
HEDAHL'S

100 E. BROADWAY AVE.
BISMARCK/ND, 58501
Ph:
Fax:

Installed At:

Ph:
Site Contact: DICK HEDAHL

SCENIC SIGN CORP. HEREBY PROPOSES TO FURNISH ALL MATERIALS AND PERFORM ALL LABOR NECESSARY FOR THE COMPLETION OF:

REMOVE EXISTING FACES AND REPLACE WITH (2) ALUCOBOND PANELS W/OPAQUE VINYL GRAPHICS.

MANUFACTURE & INSTALL:

(1) 3'1" X 69' ALUCOBOND PANEL

(1) 3'1" X 47' ALUCOBOND PANEL

OPAQUE VINYL GRAPHICS TO BE DETERMINED.

TOTAL PRICE: $8169.50

50% DOWN PAYMENT REQUIRED: $4084.75

BeFORE - Existing Signage

New Signage

Bismarck

Community Development Department

MEMORANDUM

TO: Chair Blackstead and Renaissance Zone Authority

FROM: Jason Tomanek, Planner JT

DATE: January 7, 2010

RE: Renaissance Zone Guidelines

During the 2009 legislative session changes were made to the Renaissance Zone law that will need to be addressed in the City of Bismarck's Renaissance Zone Development Plan in order for the City to take advantage of the changes. There are several changes to consider, at this time an inquiry has been submitted regarding the change permitting a Leasehold Improvement Project. The State defines a Leasehold Improvement Project as "any improvements a leaseholder makes to their space to either expand or improve the efficacy of their business. The level of investment should increase the current true and full value of the space by an amount defined by the city in their development plan. Since the leaseholder is the person making the improvements the city should expect an investment of at least 50% on the space being improved. Improvements that are normal maintenance cannot be counted, i.e. carpet, paint etc."

In order to make changes to the Development Plan guidelines must be established regarding the Leasehold Improvements Project, a public hearing must be held at the Renaissance Zone Authority level. In addition to the guidelines and public hearing the Board of City Commissioners, Burleigh County Commission and the Bismarck Public School District must all support the proposed changes prior to the changes being enacted.

I am requesting direction from the Authority in this matter.

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

Building Inspections Division • Phone: 701-355-1465 • Fax: 701-258-2073 *Planning Division • Phone: 701-355-1840 • Fax: 701-222-6450*

RENAISSANCE ZONE AUTHORITY
PROJECT STATUS

Project	Applicant	Street Address	Project Type	RZA Hearing	Commission Approval	State Approval	Beginning Building Market Value	Proposed Investment	Estimated Building Value w/Investment	Estimated Property Tax Benefit	Estimated State Income Tax Benefit	Completion Date	Actual Investment	2009 Building Market Value	Jobs Credated FTE
01-B	George T. Duemeland Revocable Trust	301 East Thayer Avenue	Purchase w/Major	12/10/02	12/17/02	01/02/03	$77,000	$44,368	$150,000	$18,095	$5,650	12/01/03	$68,397	$189,800	0
02-B	Dakota Building Partnership	501 East Main Avenue	Purchase - Land	01/06/03	01/07/03	02/26/03	$444,200	$300,000	$540,000	$32,023	$7,500	01/31/07	$284,185	$663,300	0
03-B	Civic Square Development LLC	521 East Main Avenue	Purchase w/Major	02/07/03	02/11/03	04/21/03	$500	$800,000	$500,000	$61,000	$2,500	12/31/07	$818,111	$1,026,400	0
04-B	Duemelands Commercial LLLP	301 East Thayer Avenue	Lease	07/14/03	07/22/03	09/25/03	N/A	N/A	N/A	N/A	$609	12/01/03	N/A	N/A	2
05-B	John & Barbara Grinsteiner	200 North Mandan Street	Purchase	10/07/03	10/14/03	10/16/03	$43,300	$5,000	$77,500	$5,550	$2,000	10/17/03	N/A	$109,300	2
06-B	Woodmansee's	114 North 4th Street	Rehab/Historic	10/30/03	11/15/03	11/21/03	$46,900	$125,000	$120,000	$15,500	$25,000	01/26/05	$129,333	$123,900	1
07-B	Bertsch Properties LLC	207 East Front Avenue	Rehab	11/19/03	11/25/03	12/03/03	$371,200	$801,800	$1,455,000	$188,375	$8,200	01/19/05	$734,707	$2,673,100	0
08-B	Northland Financial	207 East Front Avenue	Lease	11/19/03	11/25/03	12/03/03	N/A	N/A	N/A	N/A	$116,000	09/16/04	N/A	N/A	14.25
09-B	Bertsch Properties LLC	216 South 3rd Street	Rehab	11/19/03	11/25/03	12/03/03	$142,300	$329,150	$840,000	$107,600	$3,000	01/20/05	$378,013	$698,800	20
10-B	Lee Enterprises Inc.	707 East Front Avenue	Rehab	12/15/03	12/16/03	12/29/03	$2,508,200	$2,258,824	$4,408,200	$550,000	$1,248,000	10/26/05	$2,400,776	$4,591,400	7.5
11-B	PJCM Partners, LLP	901/907 East Front Avenue	Rehab	03/03/04	03/23/04	03/29/04	$151,300	$298,840	$420,000	$52,795	$2,700	06/30/05	$409,846	$535,400	3
12-B	Mark Gartner	302 East Thayer Avenue	Rehab	05/25/04	05/25/04	06/04/04	$49,900	$85,000	$125,000	$15,715	$4,700	12/06/05	$103,455	$139,200	2.5
13-B	AW Enterprises	216 North 2nd Street	Rehab	08/10/04	08/10/04	08/18/04	$173,500	$208,814	$275,000	$34,573	$12,500	06/22/05	$283,473	$319,500	1
14-B	Daryl Rosenau & Clarence Sayler	225 West Broadway Avenue	Purchase	02/07/05	02/08/05	02/16/05	$176,000	$69,550	$182,500	$21,470	$1,750	12/26/07	$70,002	$242,100	0
15-B	J & L Development, Inc.	324 North 3rd Street	Rehab	11/15/04	12/14/04	02/16/05	$500,000	$750,000	$900,000	$113,500	$15,000	09/15/06	$698,396	$720,900	8
16-B	Pirogue Grille, Inc.	121 North 4th Street	Lease	03/02/05	03/08/05	03/22/05	N/A	$128,000	N/A	N/A	$3,500	08/24/05	N/A	N/A	8
17-B	Zorells Jewelry Inc.	221 South 9th Street	New Construction	09/20/04	03/08/05	03/22/05	$20,100	$200,000	$200,000	$25,000	$4,000	07/30/05	$191,898	$203,400	8
18-B	Susan & Ed Stroh/Petals & More	122 East Rosser Avenue	Rehab	08/25/05	09/13/05	09/21/05	$120,300	$84,675	$130,000	$16,900	$5,600	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN
19-B	CCC Properties, LLLP	310 South 5th Street	Purchase	08/25/05	09/13/05	09/21/05	$410,400	$188,000	$450,000	$58,500	$10,500	07/01/06	$298,372	$484,800	0
20-B	Bank Center First	320 North 4th Street	Rehab	09/21/05	09/27/05	10/04/05	$609,500	$3,100,000	$2,000,000	$258,760	$250,000	08/01/09	$2,301,478	N/A	
21-B	Foot Care Associates PC	310 South 5th Street	Lease	01/12/06	01/24/06	02/03/05	N/A	N/A	N/A	N/A	$1,000	04/01/06	N/A	N/A	3.5
22-B	Dentyne, Inc. (Bakke & Roller)	310 South 5th Street	Lease	01/12/06	01/24/06	02/03/05	N/A	N/A	N/A	N/A	$10,500	03/13/06	N/A	N/A	12
23-B	Duemelands Properties, LLLP	302 South 3rd Street	Purchase	01/12/06	02/14/06	02/16/06	$312,700	$160,800	$345,000	$44,840	$4,500	12/01/06	$227,295	$189,800	0
24-B	Duemelands Properties, LLLP	312 South 3rd Street	New Construction	01/12/06	02/14/06	02/16/06	N/A	$215,223	$250,000	$32,500	$4,100	12/01/06	$233,655	$393,700	0
25-B	Makoché Media, LLC	208 North 4th Street	Purchase	01/12/06	02/14/06	02/16/06	$247,000	$71,612	$320,000	$41,600	$1,000	12/27/07	$91,672	$274,800	0
26-B	River Q, LLC	312 South 3rd Street	Lease	04/13/06	04/25/06	05/05/06	N/A	N/A	N/A	N/A	$25,000	12/04/06	N/A	N/A	21
27-B	Gem Group LLC	412 East Main Avenue	Rehab	05/23/06	05/23/06	05/30/06	$47,800	$40,000	$75,000	$5,990	$8,500	10/20/06	$50,292	$70,300	0
28-B	Heartland Mortgage Company	412 East Main Avenue	Lease	05/23/06	05/23/06	05/30/06	N/A	N/A	N/A	N/A	$10,500	07/01/06	N/A	N/A	4
29-B	Bismarck MSA dba Verizon Wireless	302 South 3rd Street	Lease	07/24/06	07/25/06	08/02/06	N/A	$100,000	N/A	N/A	$172,000	09/14/06	N/A	N/A	8
30-B	Main Avenue Properties, LLC	122 East Main Avenue	New Construction	10/09/06	10/10/06	12/05/06	N/A	$3,020,590	$3,200,000	$370,000	$15,000	12/17/07	$2,370,152	$2,348,500	
31-B	Dakota Office Building, LLC	300 North 4th Street	Purchase	02/05/07	02/13/07	02/20/07	$1,095,900	$250,000	$1,400,000	$60,000	$25,000	01/30/08	$407,003	$1,219,500	
32-B	American Legal Services PC	521 East Main Avenue	Lease	04/02/07	04/10/07	04/19/07	N/A	N/A	N/A	N/A	$10,000	08/01/07	N/A	N/A	5
33-B	Internet Design & Consulting	521 East Main Avenue	Lease	04/02/07	04/10/07	04/24/07	N/A	N/A	N/A	N/A	$10,000	08/01/07	N/A	N/A	1
34-B	Larson Latham Hauttle LLP	521 East Main Avenue	Lease	05/14/07	05/22/07	06/06/07	N/A	N/A	N/A	N/A	$60,000	07/01/07	N/A	N/A	9
35-B	Retirement Consulting LLC	521 East Main Avenue	Lease	05/14/07	05/22/07	06/06/07	N/A	N/A	N/A	N/A	$12,500	07/01/07	N/A	N/A	2
36-B	Jason Kirchmeier & Associates	501 East Main Avenue	Lease	06/20/07	06/26/07	07/11/07	N/A	N/A	N/A	N/A	$30,000	08/01/07	N/A	N/A	1

RENAISSANCE ZONE AUTHORITY
PROJECT STATUS

Project	Applicant	Street Address	Project Type	RZA Hearing	Commission Approval	State Approval	Beginning Building Market Value	Proposed Investment	Estimated Building Value w/Investment	Estimated Property Tax Benefit	Estimated State Income Tax Benefit	Completion Date	Actual Investment	2009 Building Market Value	Jobs Credated FTE
37-B	Roger Koski & Associates	501 East Main Avenue	Lease	06/20/07	06/26/07	07/11/07	N/A	N/A	N/A	N/A	$30,000	08/01/07	N/A	N/A	1
38-B	Malvie Financial Planning	501 East Main Avenue	Lease	06/20/07	06/26/07	07/11/07	N/A	N/A	N/A	N/A	$35,000	08/01/07	N/A	N/A	2
39-B	Westgard Financial Services	501 East Main Avenue	Lease	06/20/07	06/26/07	07/11/07	N/A	N/A	N/A	N/A	$30,000	08/01/07	N/A	N/A	1
40-B	Rainmaker Gusto Ventures, LLC	116 North 5th Street	Purchase w/Major	09/04/07	09/11/07	10/30/07	$166,600	$137,500	$300,000	$21,000	$5,400	05/21/08	$142,050	$334,000	4
41-B	The Rainmaker Group, Inc.	116 North 5th Street	Lease	11/14/07	12/18/07	12/27/07	N/A	N/A	N/A	N/A	$530,000	08/12/08	N/A	N/A	4
42-B	Capital Holdings, LLC/Roger Zink	402 East Main Avenue	Rehab	12/05/07	12/18/07	12/27/07	$270,000	$360,110	$500,000	$50,000	$5,000	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN
43-B	Kinselco, Inc.	402 East Main Avenue	Lease	12/05/07	12/18/07	12/27/07	N/A	N/A	N/A	N/A	$50,000	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN
44-B	Rick & Theresa Keimele	413 East Broadway	Rehab	11/14/07	12/18/07	01/11/08	$184,400	$138,636	$283,500	$28,000	$28,000	10/01/08	$178,955	$263,500	1
45-B	Centennial Plaza, LLC	116 North 4th Street	Purchase	12/05/07	12/18/07	01/22/08	$803,100	$238,000	$1,047,600	$25,000	$25,000	01/29/09	$167,894	$920,400	
46-B	Westley's Inc.	423 East Broadway	Lease	02/21/08	03/11/08	03/19/08	N/A	N/A	N/A	N/A	$28,000	07/14/08	N/A	N/A	1
47-B	Depot Associates	401 East Main Avenue	Rehab	04/18/08	05/13/08	05/28/08	$372,300	$200,000	$600,000	$50,000	$5,000	07/01/09	$243,344		0
48-B	FV Restaurant, Inc.	401/411 East Main Avenue	Lease	04/18/08	05/13/08	05/28/08	N/A	N/A	N/A	N/A	$150,000	08/27/08	N/A	N/A	3
49-B	T. Casey Cashman	523 North 1st Street	Rehab	05/12/08	05/27/08	06/12/08	$103,100	$25,000	$130,000	$10,000	$5,000	12/15/08	$23,375	$116,500	0
50-B	Starion Financial	333 North 4th Street	Rehab	05/12/08	05/27/08	06/12/08	$1,154,600	$2,500,000	$2,854,600	$270,000	$550,000				
51-B	David Bliss, LLC	521 East Main Avenue	Lease	10/08/08	10/22/08	WITHDRAWN	N/A	N/A	N/A	N/A	$30,000	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN
52-B	Mark Benesh & Associates/Prudential	521 East Main Avenue	Lease	10/08/08	10/22/08	11/04/08	N/A	N/A	N/A	N/A	$15,000	04/01/09	N/A	N/A	2
53-B	CIG Investments, LLP	405 East Main Avenue	Rehab	03/11/09	03/24/09	04/21/09	$80,700	$258,720	$420,000	$22,030	$20,875	10/21/09	$199,620		0
54-B	Magi-Touch Carpet & Furniture Inc.	800 East Sweet Avenue	Rehab/New Const.	05/13/09	05/28/09	06/03/09	$576,100	$2,145,500	$1,900,000	$88,000	$485,000				
55-B	TFRE, LLC	120/124 North 4th Street	Purchase w/ Major	06/10/09	06/23/09	06/25/09	$231,100	$245,284	$350,000	$30,000	$15,000				
56-B	Blarney Stone Pub, LLC	408 East Main Avenue	Lease	06/10/09	06/23/09	07/07/09	N/A	N/A	N/A	N/A	$30,000	10/01/09	N/A	N/A	46
57-B	Cavalier Homes, Inc.	408 East Main Avenue	Lease	06/10/09	06/23/09	07/07/09	N/A	N/A	N/A	N/A	$153,665	10/15/09	N/A	N/A	3
58-B	Jim Poolman Consulting, Inc.	408 East Main Avenue	Lease	06/10/09	06/23/09	07/07/09	N/A	N/A	N/A	N/A	$50,000	09/05/09	N/A	N/A	1
59-B	Boardwalk on Broadway	100 West Broadway	Rehabilitation	08/12/09	08/25/09	09/11/09	$514,200	$706,984	$738,200	$130,356	$178,741				
60-B	SRSSM Partnership	122 East Broadway	Purchase w/ Major	10/14/09	10/27/09	11/25/09	$437,880	$727,000	$843,500	$54,080	$843,500				
61-B	Sheldon A. Smith, P.C.	122 East Broadway	Lease	11/12/2009	11/24/09		N/A	N/A	N/A	N/A	$192,500		N/A	N/A	
62-B	Randall J. Bakke, P.C.	122 East Broadway	Lease	11/12/2009	11/24/09		N/A	N/A	N/A	N/A	$192,500		N/A	N/A	
63-B	Scott K. Porsborg, P.C.	122 East Broadway	Lease	11/12/2009	11/24/09		N/A	N/A	N/A	N/A	$192,500		N/A	N/A	
64-B	Mitchell D. Armstrong, P.C.	122 East Broadway	Lease	11/12/2009	11/24/09		N/A	N/A	N/A	N/A	$192,500		N/A	N/A	
65-B	Suzanne K. Schweigert, P.C.	122 East Broadway	Lease	11/12/2009	11/24/09		N/A	N/A	N/A	N/A	$192,500		N/A	N/A	
66-B	Kranzler Kingsley Communications, LTD	501 East Main Avenue	Lease	12/9/2009	12/22/09		N/A	$180,000	N/A	N/A	$17,000		N/A	N/A	
67-B	IRET Properties, LP	715 East Broadway Avenue	Rehabilitation	12/9/2009	12/22/09		$1,251,000	$1,136,850		$125,287	$0				
					TOTALS		$13,696,080	$20,196,858	$27,267,100	$2,886,752	$4,579,090		$13,281,959	$19,128,700	205.75

CORE INCENTIVE PROGRAMS
PROJECT STATUS

CORE Project	Applicant	Street Address	Project Type	RZA Hearing	Commission Approval	Total Project Cost	Approved Grant Amount	Completion Date	Sidewalk Subsurface Infill	Technical Assistant Bank	Façade & Signage Incentive	Housing Incentive	Total Payments To Date
01-07	Red Wing Shoes	529 East Broadway Avenue	Signage	05/14/07	05/22/07	$8,199.34	$3,000.00	11/19/07			$3,000.00		$3,000.00
02-07	LeRoy Walker	118 North 5th Street	Subsurface Infill	05/14/07	05/22/07	$3,300.00	$2,800.00	05/30/07	$2,800.00				$2,800.00
03-07	LeRoy Walker	118 North 5th Street	Technical Assistance	07/17/07	08/14/07	$2,100.00	$1,575.00	09/17/07		$771.38			$771.38
04-07	Janet Pinks	207 East Avenue B	Housing Incentive	07/17/07	08/14/07	$23,874.00	$5,000.00					$4,439.60	$4,439.60
			Technical Assistance	07/17/07	08/14/07	$2,100.00	$1,575.00	01/29/08		$1,055.62			$1,055.62
			Housing Incentive	03/11/09	03/24/09	$90,487.14	$13,657.83	02/28/09				$13,657.83	$13,657.83
05-07	Kevin Homeman	408 East Main Avenue	Technical Assistance	07/17/07	08/14/07	$2,100.00	$1,575.00	01/23/08		$1,575.00			$1,575.00
06-07	Kevin Homeman	410 East Main Avenue	Technical Assistance	07/17/07	08/14/07	$2,100.00	$1,575.00	01/23/08		$1,575.00			$1,575.00
07-07	Greg Bavendick	301 East Broadway Avenue	Technical Assistance	08/27/07	09/11/07		$1,575.00						
08-07	Pride Wilton Inc.	112 North 5th Street	Façade	08/27/07	09/11/07	$44,197.00	$22,098.50	11/29/07			$22,098.50		$22,098.50
09-07	Brady, Martz & Associates, PC	207 East Broadway Avenue	Signage	08/27/07	09/11/07	$6,112.00	$3,056.00	03/05/08			$3,056.00		$3,056.00
10-07	LeRoy Walker	118 North 5th Street	Façade	08/27/07	09/11/07	$25,000.00	$12,500.00	06/17/08			$10,832.14		$10,832.14
11-07	Kevin Homeman	408 East Main Avenue	Façade	08/27/07	09/11/07	$71,500.00	$25,000.00	09/17/08			$25,000.00		$25,000.00
12-07	Michael Woods	410 East Main Avenue	Façade	08/27/07	09/11/07	$71,500.00	$25,000.00	12/22/08			$25,000.00		$25,000.00
13-07	Rainmaker Gusto Ventures, LLC	116 North 5th Street	Housing Incentive	08/27/07	09/11/07	$63,500.00	$12,700.00	01/20/09				$11,430.91	$11,430.91
14-08	Turitto's Dry Cleaners	1131 East Main Avenue	Façade	04/18/08	05/13/08	$5,256.00	$2,628.00	10/01/08			$2,628.00		$2,628.00
15-08	Magic Photo Art	120 North 5th Street	Signage	05/12/08	05/27/08	$5,170.15	$2,735.08	09/30/08			$2,735.08		$2,735.08
16-08	Fowler Photography	120 North 5th Street	Signage	05/12/08	05/27/08	$1,344.02	$672.01	07/30/08			$672.01		$672.01
17-08	Mr. Delicious/Aaron Bank	307 North 3rd Street	Signage	06/23/08	07/08/08	$10,415.00	$3,000.00	01/30/09			$3,000.00		$3,000.00
18-08	Rainmaker Gusto Ventures, LLC	116 North 5th Street	Technical Assistance	06/23/08	07/22/08		$1,575.00						
19-08	Robert Knutson Photography	405 East Sweet Avenue	Technical Assistance	07/09/08	07/22/08	$2,310.00	$1,575.00	12/17/08		$1,575.00			$1,575.00
20-08	The Window & Door Store	410 East Main Avenue	Signage	08/13/08	08/27/08	$6,742.34	$3,000.00	12/22/08			$3,000.00		$3,000.00
21-08	Tyre Mart	704 East Bowen Avenue	Signage	09/10/08	09/23/08	$6,099.16	$3,000.00	10/09/08			$3,000.00		$3,000.00
22-08	Robert Knutson Photography	405 East Sweet Avenue	Façade	11/12/08	11/25/08		$25,000.00						
23-08	Robert Knutson Photography	405 East Sweet Avenue	Signage	11/12/08	11/25/08		$3,000.00						
24-08	ACI/ND Bankers Association	122 East Main Avenue	Signage	11/12/08	11/25/08		$3,000.00						
25-09	Magi-Touch Carpet & Furniture Inc.	600 East Sweet Avenue	Technical Assistance	02/11/09	02/24/09	$4,200.00	$1,575.00	09/22/09					$1,575.00
26-09	Gosset Enterprises/Taco John's	320 South 3rd Street	Façade	02/11/09	03/24/09	$51,923.53	$25,000.00	08/20/09			$3,000.00		$3,000.00
27-09	Gosset Enterprises/Taco John's	320 South 3rd Street	Signage	02/11/09	03/24/09	$8,840.00	$25,000.00	08/20/09			$25,000.00		$25,000.00
28-09	Rolf Eggers	214 & 216 East Main Avenue	Façade	02/11/09	03/24/09	$7,150.00	$3,575.00	08/16/09			$7,150.00		$7,150.00

CORE INCENTIVE PROGRAMS
PROJECT STATUS

29-09	ADLOC Inc./Warren's Locks & Keys	214 East Main Avenue	Signage	02/11/08	03/24/09	$1,215.00	$607.50	05/04/09			$532.50		$532.50
30-09	A&B Pizza South	311 South 7th Street	Technical Assistance	4/8/2009	4/28/2009		$1,575.00						
31-09	Broadway Floral of Hearts	411 East Broadway Avenue	Signage	5/13/2009	5/26/2009	$4,845.49	$2,422.95	07/09/09			$2,422.95		$2,422.95
32-09	Magi-Touch Carpet & Furniture, Inc.	800 East Sweet Avenue	Façade	5/13/2009	5/26/2009		$25,000.00						
33-09	DoCo Group	114 North 3rd Street	Technical Assistance	7/8/2009	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRAWN
34-09	Starion Financial	333 North 4th Street	Signage	10/14/2009	10/27/2009		$3,000.00						
35-09	SRSSM Partnership	122 East Broadway	Façade	11/12/2009	11/24/2009		$20,000.00						
36-09	SRSSM Partnership	122 East Broadway	Signage	11/12/2009	11/24/2009		$3,000.00						
37-10	J & J Property Management	115 North 4th Street	Technical Assistance	1/13/2010									
38-10	Hedahls Inc.	100 East Broadway Avenue	Signage	1/13/2010		$7,800							
	Totals					**$539,380.17**	**$292,627.87**		**$2,800.00**	**$6,552.00**	**$142,127.18**	**$29,528.34**	**$182,582.52**