



## *Community Development Department*

### **RENAISSANCE ZONE AUTHORITY MEETING AGENDA December 9, 2009**

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City-County Office Building	4:00 p.m.	Second Floor Conference Room
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1. **Call to Order and Introductions**
2. **Approval of Minutes**
3. **Renaissance Zone Projects**
  - A. Request of Kranzler Kinglsey Communications, LTD. for designation of the lease of space in the building at 501 East Main Avenue as a Renaissance Zone Project. The property is owned by Dakota Building Partnership and is legally described as Tract 501 of Block 12, Original Plat.
  - B. Request of IRET Properties for the designation of the rehabilitation of the building at 715 East Broadway Avenue as a Renaissance Zone Project. The property is owned by IRET Properties and is legally described as Tract 715 of Blocks 40 & 42, Original Plat.
4. **Technical Advisor to the Renaissance Zone Authority – Discussion**
5. **CORE Incentive Programs – Discussion**
6. **Renaissance Zone Authority Members – Expired Terms**
7. **Status of Approved Renaissance Zone Projects**
8. **Status of Approved CORE Incentive Projects**
9. **Other Business**
10. **Adjourn**

*Bismarck-Burleigh County Community Development Department*  
221 North 5th Street • PO Box 5503 • Bismarck, ND 58506-5503 • TDD: 711 • [www.bismarck.org](http://www.bismarck.org)

**RENAISSANCE ZONE AUTHORITY  
MEETING MINUTES  
November 12, 2009**

The Bismarck Renaissance Zone Authority met on November 12, 2009 in the 2<sup>nd</sup> Floor Conference Room in the City-County Office Building at 221 North 5<sup>th</sup> Street. Authority members present were Dave Blackstead, Parrell Grossman, Chuck Huber, George Keiser, 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 Ray Ziegler. Guests present were Mitchell Armstrong, Suzanne Schweigert, Scott Porsborg, Sheldon Smith and Randall Bakke (SRSSM Partnership), Robert Graham and Dawn Kopp (Downtowners).

**CALL TO ORDER**

Chair Blackstead called the meeting to order at 3:30 p.m.

**MINUTES**

The minutes of the October 14, 2009 meeting and the October 21, 2009 special meeting were distributed with the agenda packet

**MOTION:** A motion was made by Mr. Keiser and seconded by Ms. Vondrachek to approve the minutes of the October 14, 2009 meeting and the October 21, 2009 special meeting as received. The motion passed unanimously with members Blackstead, Grossman, Huber, Keiser, Vondrachek, and Walth voting in favor.

**CORE INCENTIVE PROGRAM PROJECT APPLICATION**

A. 122 East Broadway Avenue – SRSSM Partnership – CORE Facade

Mr. Tomanek gave an overview of the project for façade improvements at 122 East Broadway Avenue. The applicant is proposing to rehabilitate, modify and improve aesthetics of the facade. The project will include re-roofing the single-story portion of the building, re-sealing all windows and door joints, re-sealing all masonry control joints and tuck-pointing some minor brick damage. The project will also include replacing the exterior door on the west elevation of the second floor which provides access to the single-story roof. Modification will include relocation of the primary entrance to the south elevation of the single-story portion, closing up the original Broadway entrance with brick and masonry consistent with the brick on the building and adding three new windows on the west elevation at the second story. A major portion of the renovation will include removing the existing penthouse. Improved aesthetics for the building will include new colored awnings, lighting and a pergola.

Mr. Tomanek provided an overview of the requests and listed the following findings for the proposed CORE Incentive Program project:

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 subject to the guidelines for the DC - Downtown Core district that state “all subsequent renovations, additions and related structures constructed after the construction of an original building shall be constructed of materials comparable to those used in the original construction and shall be designed in a manner conforming to the original architectural design and general appearance.” The exterior modification includes relocation of the primary entrance to the south elevation of the single-story portion, closing up the original Broadway entrance with brick and masonry consistent with the brick on the building and adding three new windows on the west elevation at the second story. The proposed exterior modification to the building is consistent with the intent of the ordinance through the use of brick and masonry material and has been approved through the Downtown Design Review process.
4. The rehabilitation project also includes the addition of an exterior entrance pergola that would be constructed of masonry columns, aluminum support structure and wood. The pergola would be located adjacent to the south-facing building exterior and primary entrance to the building. The Authority has not considered a request similar to this in the past. The pergola would be located on private property and designed to accent the exterior façade and the main entrance to the building. The pergola is also consistent with the intent of the DC - Downtown Core guidelines through the use of masonry materials that complement the existing masonry on the building.
5. The applicant received three estimates for the labor and materials. The estimates received were from the architect and two general contractors. The estimates for brick restoration range from \$8,000 to \$10,000. The new entrance, doors, windows and pergola range from \$24,500 to \$40,000.
6. Under the Façade and Signage Grant guidelines the maximum dollar amount is \$25,000 for façade improvement projects. Each project requires a 50% matching contribution by the applicant. The grant amount requested for this project is between \$16,250 and \$25,000.

Mr. Tomanek said based on the above findings staff recommends approval of the CORE Façade and Signage grant request to reimburse SRSSM Partnership for 50% of the final project costs up to \$25,000 for the work and materials associated with the façade rehabilitation project at 122 East Broadway Avenue.

#### B. 122 East Broadway Avenue – SRSSM Partnership – CORE Signage

Mr. Tomanek gave an overview of the project for new signage at 122 East Broadway Avenue. The applicant is proposing to add new colored awnings on the south and east elevations and replacing existing exterior signage to reflect the future tenants. There are two signs proposed; one sign would be mounted on the south elevation utilizing an existing cabinet on the building, the second sign would also be a replacement of a free-standing pylon sign on the east elevation. Based on previous projects and decisions by the Authority, the pylon sign will not be considered for reimbursement or as part of the overall project.

Mr. Tomanek provided an overview of the requests and listed the following findings for the proposed CORE Incentive Program project:

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 subject to the Special Provisions for the Central Business District in the sign code because it is inside 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) and has been approved through the Downtown Design Review process.
4. The applicant received two contractor estimates and one estimate from the project architect for the labor and materials associated with the proposed awnings. The prices for the awnings range between \$15,000 and \$30,000.
5. The applicant received two bids for the south-facing exterior sign replacement. The south-facing building exterior sign is an existing sign that would have the sign face replaced and the cabinet repainted. The low bid for the sign was received from Mann Signs Inc. in the amount of \$1,260.
6. Under the Façade and Signage Grant guidelines the maximum dollar amount is \$3,000 for signage and awning projects. Each project requires a 50% matching contribution by the applicant. The grant amount requested for this project is \$3,000.

Mr. Tomanek said based on the above findings staff recommends approval of the CORE Façade and Signage grant request to reimburse SRSSM Partnership \$3,000 toward the design, purchase, and installation of new awnings and signage at 122 East Broadway Avenue.

Mr. Keiser stated that the applicants purchased the building at a discount because of the condition the building is in and caulking is considered maintenance, so it should not be included as part of the project and will not support it.

Mr. Walth said the issue he has with this project is this application should have been included in the Renaissance Zone program instead of separate applications. Mr. Walth stated he is okay with the sign and awnings but not the rest of the request. Mr. Huber said he thought that separate projects could be done as long as it is new money. Mr. Tomanek said the Renaissance Zone project from this group was just for the inside of the building, and these are new requests for the exterior and it is new money and new investment. Mr. Tomanek commented the Blarney Stone had four separate applications, which is similar to this project. Mr. Walth said the difference with the Blarney Stone is there were different owners.

Mr. Armstrong said that the brick and mortar work was estimated at \$8,000 to \$10,000 and there is a significant amount of more changes that will be made to the exterior of the building that will be \$24,000 to \$40,000 that will not fit in the maintenance portion of the project.

Mr. Whittey added that the only other question is whether or not to include the pergola as part of the façade restoration.

Mr. Grossman commented that he is inclined to agree with Mr. Keiser regarding the caulking. He agrees it is considered maintenance and does not think it should be included.

Mr. Walth said that he would consider this project double dipping because the exterior improvements should have been included in the Renaissance Zone project.

Mr. Tomanek stated that in February of 2009 the Renaissance Zone Authority discussed the double dipping policy and agreed on the policy that is currently in place. Mr. Tomanek said the policy reads "It shall be the policy of the City of Bismarck to allow use of both the Renaissance Zone and CORE Incentive Grant programs if the applicant investment for each is counted only once. Accordingly, the required applicant investment for designation as a Renaissance Zone project cannot also be used to meet the required applicant investment for any CORE Incentive Grant program and the required applicant investment for any CORE Incentive Grant program cannot also be used to meet the required applicant investment for designation as a Renaissance Zone project".

**MOTION:** Based on the findings included in the staff report, a motion was made by Mr. Keiser and seconded by Mr. Huber to recommend approval of the request for a CORE Façade and Signage grant for façade which would reimburse SRSSM Partnership for 50% of the final project costs up to \$25,000 for the work and materials associated with the façade rehabilitation project at 122 East Broadway Avenue, excluding the mortar work and pergola and to recommend approval of the request for a CORE Façade and Signage for signage which would reimburse SRSSM Partnership \$3,000 toward the design, purchase, and installation of new awnings and signage at 122 East Broadway Avenue, with member Keiser voting in favor and members Blackstead, Grossman, Huber, Vondrachek and Walth voting against. The motion was denied 5 to 1.

**MOTION:** Based on the findings included in the staff report, a motion was made by Mr. Grossman and seconded by Ms. Vondrachek to recommend approval of the request for a CORE Façade and Signage grant for façade which would reimburse SRSSM Partnership for 50% of the final project costs up to \$20,000 for the work and materials associated with the pergola and façade rehabilitation project at 122 East Broadway Avenue, excluding the mortar work and to recommend approval of the request for a CORE Façade and Signage for signage which would reimburse SRSSM Partnership \$3,000 toward the design, purchase, and installation of new awnings and signage at 122 East Broadway Avenue, with members Grossman, Huber, Vondrachek, and Blackstead voting in favor and members Keiser and Walth voting against. The motion was approved 4 to 2.

## **RENAISSANCE ZONE PROJECT APPLICATION**

### **A. 122 East Broadway Avenue – Sheldon A. Smith, P.C. – Lease**

Mr. Tomanek gave an overview of the lease project by Sheldon A. Smith, P.C. for the building at 122 East Broadway Avenue. Mr. Tomanek said that upon completion of the renovation for the above-mentioned property by SRSSM Partnership, the applicant would be leasing office space for its legal practice with four other professional corporations. Each PC would occupy a designated space and would also have access to common workrooms and conference rooms. The building floor area is

10,692 square feet and the applicant's lease area would be 848 square feet, with an estimated income tax benefit of \$192,500 over five years.

Mr. Tomanek provided an overview of the requests and 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 is for an expanding business moving within the Zone. The professional corporation is an attorney's office expanding within the Renaissance Zone. Additionally the business sees benefits in being located near the courthouse, meeting areas, lodging, and restaurants for business entertaining.
3. The building is being rehabilitated as a separate Renaissance Zone project by SRSSM Partnership.
4. The professional corporation's expected date of occupancy is April 1, 2010.

Mr. Tomanek said based on the above findings, staff recommends approval of the designation of the lease of space in the building at 122 East Broadway Avenue by Sheldon A. Smith, PC 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.

B. 122 East Broadway Avenue – Randall J. Bakke, P.C. – Lease

Mr. Tomanek gave an overview of the lease project by Randall J. Bakke, P.C. for the building at 122 East Broadway Avenue. Mr. Tomanek said that upon completion of the renovation for the above-mentioned property by SRSSM Partnership, the applicant would be leasing office space for its legal practice with four other professional corporations. Each PC would be occupy a designated space and would also have access to common workrooms and conference rooms. The building floor area is 10,692 square feet and the applicant's lease area would be 1,116 square feet, with an estimated income tax benefit of \$192,500 over five years.

Mr. Tomanek provided an overview of the requests and 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 is for an expanding business moving within the Zone. The professional corporation is an attorney's office expanding within the Renaissance Zone. Additionally the business sees benefits in being located near the courthouse, meeting areas, lodging, and restaurants for business entertaining.
3. The building is being rehabilitated as a separate Renaissance Zone project by SRSSM Partnership.
4. The professional corporation's expected date of occupancy is April 1, 2010.

Mr. Tomanek said based on the above findings, staff recommends approval of the designation of the lease of space in the building at 122 East Broadway Avenue by Randall J. Bakke, PC 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.

C. 122 East Broadway Avenue – Scott K. Porsborg, P.C. – Lease

Mr. Tomanek gave an overview of the lease project by Scott K. Porsborg, P.C. for the building at 122 East Broadway Avenue. Mr. Tomanek said that upon completion of the renovation for the above-mentioned property by SRSSM Partnership, the applicant would be leasing office space for its legal practice with four other professional corporations. Each PC would occupy a designated space and would also have access to common workrooms and conference rooms. The building floor area is 10,692 square feet and the applicant's lease area would be 823 square feet, with an estimated income tax benefit of \$192,500 over five years.

Mr. Tomanek provided an overview of the requests and 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 is for an expanding business moving within the Zone. The professional corporation is an attorney's office expanding within the Renaissance Zone. Additionally the business sees benefits in being located near the courthouse, meeting areas, lodging, and restaurants for business entertaining.
3. The building is being rehabilitated as a separate Renaissance Zone project by SRSSM Partnership.
4. The professional corporation's expected date of occupancy is April 1, 2010.

Mr. Tomanek said based on the above findings, staff recommends approval of the designation of the lease of space in the building at 122 East Broadway Avenue by Scott K. Porsborg, PC 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.

D. 122 East Broadway Avenue – Mitchell D. Armstrong, P.C. – Lease

Mr. Tomanek gave an overview of the lease project by Mitchell D. Armstrong, P.C. for the building at 122 East Broadway Avenue. Mr. Tomanek said that upon completion of the renovation for the above-mentioned property by SRSSM Partnership, the applicant would be leasing office space for its legal practice with four other professional corporations. Each PC would occupy a designated space and would also have access to common workrooms and conference rooms. The building floor area would be 10,692 square feet and the applicant's lease area is 418 square feet, with an estimated income tax benefit of \$192,500 over five years.

Mr. Tomanek provided an overview of the requests and 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 is for an expanding business moving within the Zone. The professional corporation is an attorney's office expanding within the Renaissance Zone. Additionally the business sees benefits in being located near the courthouse, meeting areas, lodging, and restaurants for business entertaining.
3. The building is being rehabilitated as a separate Renaissance Zone project by SRSSM Partnership.
4. The professional corporation's expected date of occupancy is April 1, 2010.

Mr. Tomanek said based on the above findings, staff recommends approval of the designation of the lease of space in the building at 122 East Broadway Avenue by Mitchell D. Armstrong, PC 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.

E. 122 East Broadway Avenue – Suzanne M. Schweigert. – Lease

Mr. Tomanek gave an overview of the lease project by Susanne M. Schweigert, P.C. for the building at 122 East Broadway Avenue. Mr. Tomanek said that upon completion of the renovation for the above-mentioned property by SRSSM Partnership, the applicant would be leasing office space for its legal practice with four other professional corporations. Each PC would occupy a designated space and would also have access to common workrooms and conference rooms. The building floor area is 10,692 square feet and the applicant's lease area would be 800 square feet, with an estimated income tax benefit of \$192,500 over five years.

Mr. Tomanek provided an overview of the requests and 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 is for an expanding business moving within the Zone. The professional corporation is an attorney's office expanding within the Renaissance Zone. Additionally the business sees benefits in being located near the courthouse, meeting areas, lodging, and restaurants for business entertaining.
3. The building is being rehabilitated as a separate Renaissance Zone project by SRSSM Partnership.
4. The professional corporation's expected date of occupancy is April 1, 2010.

Mr. Tomanek said based on the above findings, staff recommends approval of the designation of the lease of space in the building at 122 East Broadway Avenue by Suzanne M. Schweigert, PC 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.

Chairman Blackstead asked if voting on all five lease projects together was acceptable.

Robert Graham said he would like the Renaissance Zone Authority to look at each project individually because there are questions that arise to each project and the result of the Renaissance Zone project approval. Chairman Blackstead indicated there were five applications, however, they are all members of the SRSSM Partnership. Mr. Tomanek stated that the individual investment for each P.C. is not required because the building is being rehabilitated separately. Mr. Tomanek added that state guidelines do not require any other investment beyond the initial investment that is being done by the partnership to rehabilitate the building and each P.C. is only exempt from state income taxes and there are not property tax exemptions because each P.C. is not considered an owner, rather they are considered a tenant. Mr. Whittey asked if the local Renaissance Zone guidelines vary from states guidelines. Mr. Tomanek responded by saying that the local guidelines would require each P.C. to invest a minimum of \$10.00 per square foot for every square foot they lease if the building was not going to be rehabilitated through the Renaissance Zone Program. Mr. Whittey said there is no reason to vote on each P.C. separately because they each conform to the guidelines.

Mr. Graham asked if Mr. Smith, Mr. Bakke, Mr. Porsborg, Mr. Armstrong and Ms. Schweigert are the principle owners of SRSSM Partnership, did the partnership purchase the building from MDU and is SRSSM going to continue as a partnership. Mr. Armstrong answered by saying yes they are the principle owners of SRSSM Partnership, they did purchase the building from MDU and they will continue as a partnership.

Chairman Blackstead read a letter received from Mr. Graham that said "As a citizen of North Dakota and a property owner within Bismarck, North Dakota, I wish to recommend to the Bismarck Renaissance Zone Authority that the above captioned requests for grants, property income tax relief be denied. It appears that no useful purpose will be achieved by the granting of these requests other than the placing of an increased tax burden upon the other taxpayers of Bismarck and North Dakota." Chairman Blackstead said the last sentence does not apply because there will be no tax burden on the taxpayers of Bismarck and North Dakota because this is a state income tax exemption.

**MOTION:** Based on the findings included in the staff reports, a motion was made by a motion was made by Mr. Keiser and seconded by Mr. Grossman to recommend approval of the requests for designation of the lease space in the building at 122 East Broadway Avenue by Sheldon A. Smith, P.C., Randall J. Bakke, P.C., Scott K. Porsborg, P.C., Mitchell D. Armstrong, P.C. and Suzanne M. Schweigert, P.C. as Renaissance Zone Projects. The motion passed unanimously with members Blackstead, Grossman, Huber, Keiser, Vondrachek, and Walth voting in favor.

## **CORE INCENTIVE PROGRAMS**

Mr. Keiser said that the double dipping policy needs to be reviewed and some kind of requirement added that if the same applicant is going to occupy the space after the rehabilitation, they can only occupy a certain percentage of the space, because the program was intended for investors to purchase a building, fix it up and then rent it to tenants to bring more businesses downtown.

Mr. Walth said the Civic Square building is a perfect example of how the programs should work. Mr. Galpin and Mr. Huber purchased the property and rehabilitated the building through the Renaissance Zone Program and when new tenants come in they complete the space and additional improvements are being made. Mr. Walth continued by saying he agrees there should be further restrictions for double dipping.

Ms. Lee said there is a state requirement for the Renaissance Zone that if it is a rehabilitation project, then all visible signs of blight must be eliminated from the exterior of the building.

Mr. Walth said that any exterior work that needs to be done should be included in the Renaissance Zone project instead of applicants coming back later to apply for a CORE Façade and Signage Grant for façade work.

It was the general consensus that the Renaissance Zone Authority that the “Use of Multiple Core Incentive Programs Statement of Policy” needs to be discussed. Staff will provide the Renaissance Zone Authority with copies of the current polices for review so they can be discussed in detail at the December 9, 2009 or the January 13, 2010 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 4:50 p.m.

Respectfully Submitted,

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Kimberley Gaffrey  
Recording Secretary

APPROVED:

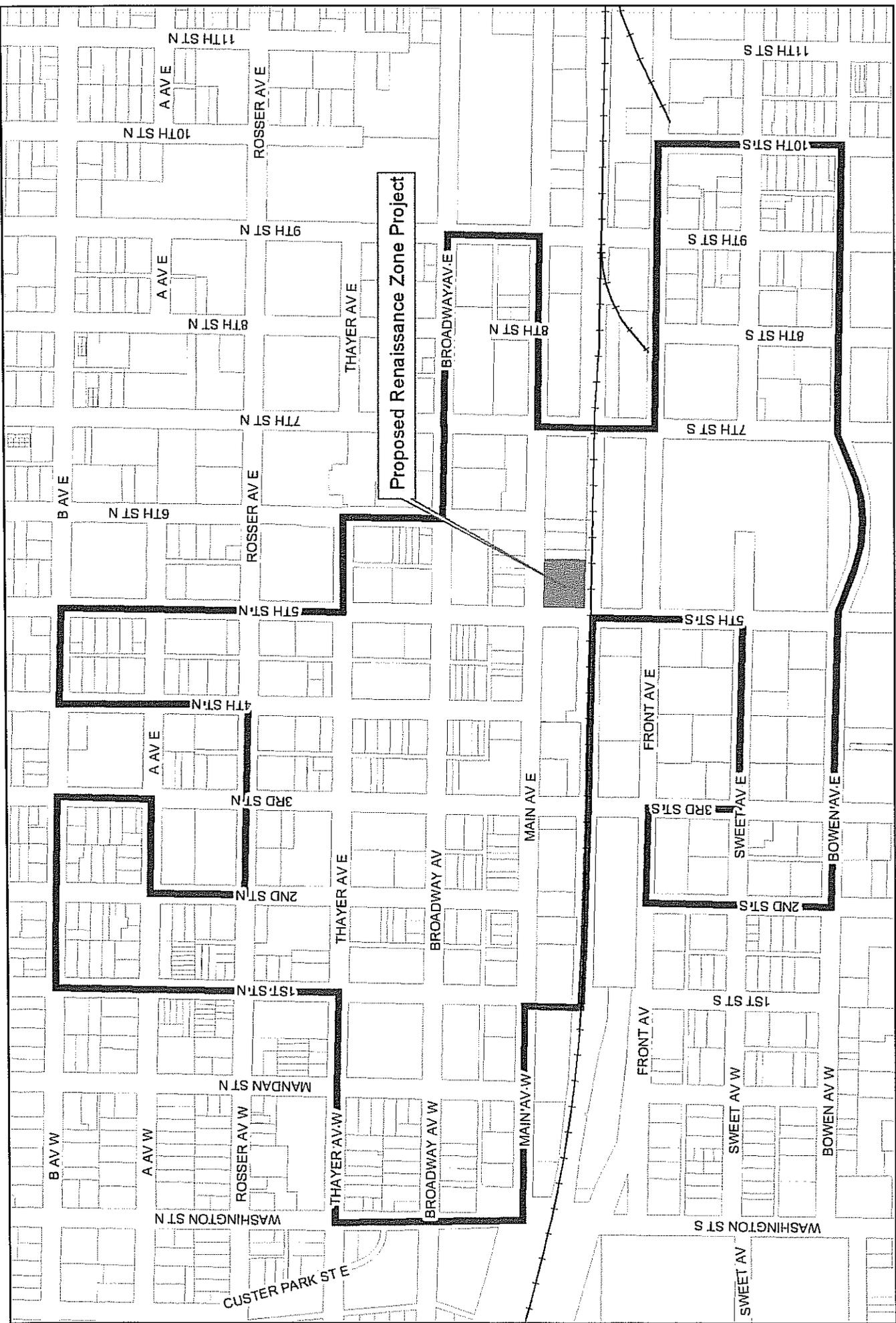
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David Blackstead  
Chair

**BISMARCK RENAISSANCE ZONE AUTHORITY  
STAFF REPORT**

<b>BACKGROUND:</b>		
<b>Title:</b> Kranzler Kingsley Communications, LTD - Lease		
<b>Status:</b> Renaissance Zone Authority	<b>Date:</b> December 9, 2009	
<b>Street Address:</b> 501 East Main Avenue	<b>Legal Description:</b> Part of Block 12, Original Plat (Tract 501)	
<b>Project Type:</b> Lease	<b>Renaissance Zone Block Number:</b> Block 25	
<b>Applicant:</b> Kranzler Kingsley Communications, LTD	<b>Owner:</b> Dakota Building Partnership	
<b>Project Description:</b>  The applicant is proposing to expand their current lease of space and rehabilitate a portion of the 1 <sup>st</sup> floor and the entire 2 <sup>nd</sup> 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.		
<b>PROJECT INFORMATION:</b>		
<b>Parcel Size:</b> 35,136 square feet	<b>Building Floor Area:</b> 20,319 square feet	<b>Certificate of Good Standing:</b> In process
<b>Lease Area:</b> 7,865 square feet	<b>Estimated Property Tax Benefit:</b> N/A	<b>Estimated Income Tax Benefit:</b> \$17,000 over 5 years
<b>PROJECT REVIEW GUIDELINES:</b>		
<b>High Priority Land Use:</b> Yes – office/service	<b>Targeted Area:</b> No –building occupied	<b>Public Space/Design:</b> No
<b>Capital Investment:</b> \$180,000 - \$200,000	<b>New/Expanding Business:</b> Yes – expanding business	<b>Historic Property:</b> No-Not in historic district
<b>FINDINGS:</b>		
<ol style="list-style-type: none"> <li>1. The proposed use is consistent with the City's Renaissance Zone Development Plan.</li> <li>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 2<sup>nd</sup> floor in addition to remodeling and expanding to an additional 495 square foot portion of the 1<sup>st</sup> floor; the total expansion area would be 2,165 square feet.</li> <li>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.</li> <li>4. The building has been purchased as a separate Renaissance Zone project.</li> <li>5. The project completion date is projected for April 15, 2010.</li> </ol>		
<b>RECOMMENDATION:</b>		
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, 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 occupancy.		

# Proposed Renaissance Zone Project - 501 East Main - Lease



## City of Bismarck - Community Development Department - Planning Division

This map is for representational use only and does not represent a survey. No liability is assumed as to the accuracy of the data delineated hereon.



November 2009

NOV 27 2009



P.O. Box 2567  
Bismarck, ND 58502  
701-258-6663

To : Renaissance Zone Committee  
Fr : Loran Galpin  
Re: Renaissance Zone Application  
Kranzler Kingsley Comm. Ltd  
Dated: 12-9-09

Ladies and Gentlemen,

I am sorry I am unable to be at this very important meeting today to present our request to have Kranzler Kingsley Communications LTD approved as a Renaissance Zone Tenant . I have business out of state that I could not reschedule.

I would submit the following information for your consideration and review.

The key issues of this request are :

1. Our project is an Existing Approved Renaissance Zone Project
2. Kranzler Kingsley Communications LTD is an existing tenant in our building that is growing and expanding .
3. Kranzler Kingsley presently occupies approx 5700 sf on the second floor.
  - They will be remodeling & expanding to fill the entire second floor which has 7370 sf gross floor area .
  - This is an increase of 1670 sf on that floor .
  - In addition they will occupy a new main floor area of 495 sf
  - **The total new gross lease area will provide a total of 7865 Sf ....**

**This is a total expansion of 2166 sf**

Our expansion permits them to add as many as 9-10 employees over the next several years.

4. Cost of renovation is not a factor in our request since we are a Renaissance zone project.

- However the cost spent on the new interior renovation will be in the range of \$180,000.
- This remodel is a complete rearrangement and updating of the interior character and improvements of the space .

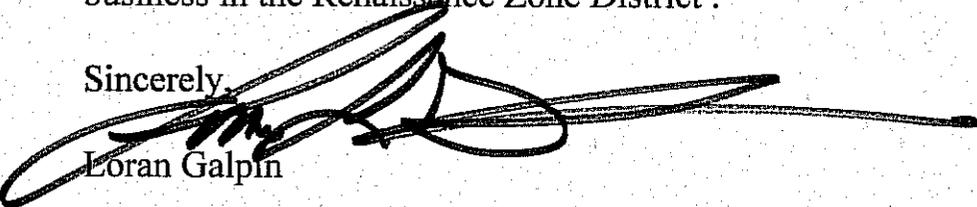
5. Keeping an Retaining existing businesses that are growing and expanding is a key Renaissance Zone Goal . Our project remodeling permits this quality business to stay in our downtown rather than be forced to leave to a location outside of the Renaissance District..

I would sincerely appreciate your approval of our request . We plan to begin this remodel as soon as all City and State approvals are granted.

We do plan to begin demolition in advance of the final approvals but the final lease and the new remodeling will not initiated until the Final word from the State is received .

Your approval of our request will help this tenant to grow and improve their business in the Renaissance Zone District .

Sincerely,



Loran Galpin

Galpin Company Inc.

# Renaissance Zone Application ... Attachments

Kranzler Kingsley Communications Ltd  
1<sup>st</sup> and 2nd floor of Cross Roads on Main  
501 E. Main Ave, Bismarck ND

Dated: 11-16-09

## 1. Detailed project description:

- Cross Roads On Main, owned by Dakota building Partnership, 501 E Main Ave is an approved Renaissance Zone project.
- Kranzler Kingsley Communications LTD. will be leasing a second floor space of 7370 sf gross rentable + 495 sf net rentable on the 1st floor for a total floor area of 7865 sf.
- The space will be remodeled , removing walls and opening up the linear office plan to create a more vibrant and exciting work space to accommodate our growing staff . Remodeling Work will involve removal of numerous interior walls adding new ceilings , new lighting , new doors , curved walls , new floor coverings , upgrading to a mechanical system that is more energy efficient.
- The Main floor work area will be accessed from the front entry and will provide 3 work stations.
- The second floor will have a new reception area , new larger conference room ,12 offices , new copier supply room . expanded production center , new art and design dept , new creative writing open space and a new exterior covered deck for employee breaks.

## 2. Why tenant wishes to participate in Renaissance Zone

- Kranzler Kingsley Communications Ltd business has been in business in the downtown area for over 20 years. The firm has been at 501 E Main Ave since 1995 and desires this location due to its convenience to the banks, financial institutions, restaurants and the convenience that downtown provides . We have grown from approx. 2000 sf at this location to approx 5700 sf today. We are seeking to expand and grow again and would like to stay in our present location if possible. We had looked at leaving the downtown but if our company can be approved as a Renaissance Zone tenant our landlord has agreed to rent us additional space and help our firm remodel.
- By expanding our business, upgrading our existing space, and reconfiguring our existing rental space with the additional space we will occupy, our firm can create the professional image we seek while meeting our needs for significant expansion in the future.

- We have explored relocating at an alternative location and had planned to look at moving to accommodate our expanding business. Loran Galpin showed an interest in rearranging space to allow us to expand and we have decided to remain in the downtown and invest in expanding in this location rather than moving.

### 3. Meeting Renaissance zone goals and objectives

- By expanding our new office space in Cross Roads on Main we will be provided with an up scale work environment for our expanding business. The attraction of the downtown for businesses like ours is the creative flavor of the project, and its convenience for our staff and customers. The Renaissance Zone is looking to retain businesses like ours in the downtown. This project has a visibility and character within the heart of downtown that we believe will continue to attract other businesses like ourselves.
- By remaining in and expanding in a Renaissance Zone Project we are assisting in fulfilling the goals set out by the Renaissance Zone effort.
- The convenience to meetings areas, hotel, and restaurants for business entertaining makes this project very appealing to our business.

### 4. Estimated tax benefits

- The estimated tax benefits for state income tax, that may be realized by our office, will be in the range of \$3400 per year for 5 years.

### 5. Certificate of Good Standing.

- We have applied for a Certificate of Good Standing and hope to have a confirmation of this by the time we meet with the City Commission, if the Renaissance Zone Committee approves our request.

### 6. Photos of project, building plans and elevations, and site plan .

Enclosed are :

- A photo of the building exterior
- site plan
- floor plan showing the proposed renovation plan .
- 

### 7. Project timetable

We will remain in the space during remodeling. Space renovation will start in late December or early January 2010 depending on the time it requires for us to gain approvals and a building permit. The project is planned for completion April 15, 2010.

## 8. Project Costs

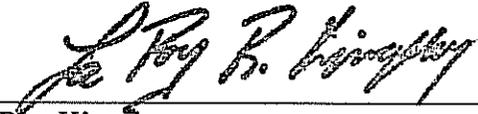
- The project is an approved Renaissance Zone project and therefore meets the requirement of the needed investment in capital improvements.
- We plan on improving the interior office space to accommodate our image and marketing character. We estimate making an expenditure of approximately \$180,000 - \$200,000 in the remodeling of 7865 sf of space for both first floor and second floor.

We look forward to remaining in the downtown rather than relocating to other areas outside of the downtown. We look to stay in this key location with the support of the Renaissance Zone Committee and our belief that the Quiet Rail will soon come to pass.

Thank you for your consideration.

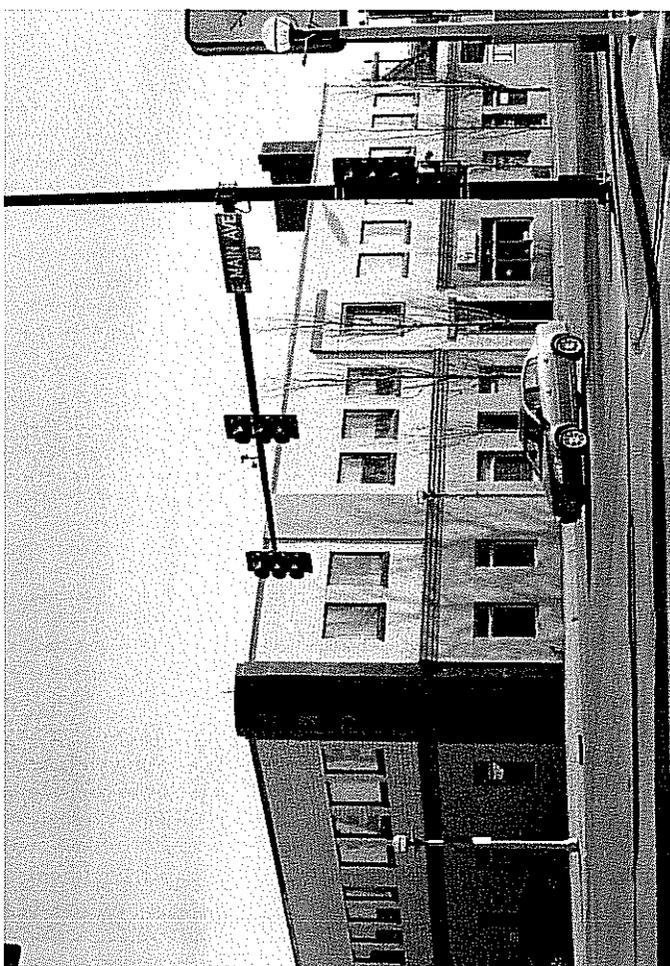
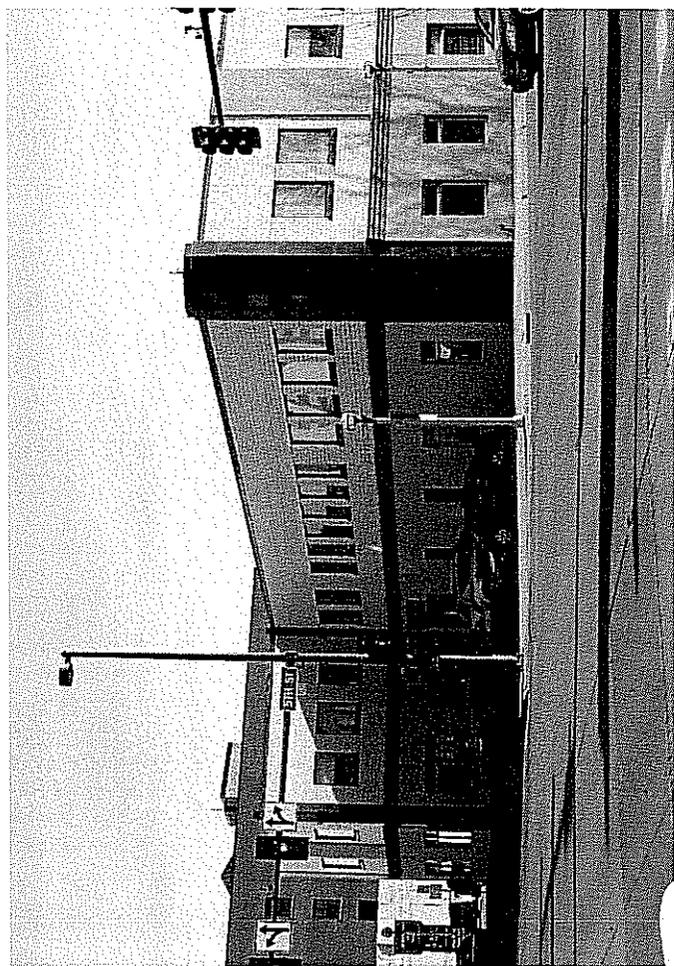
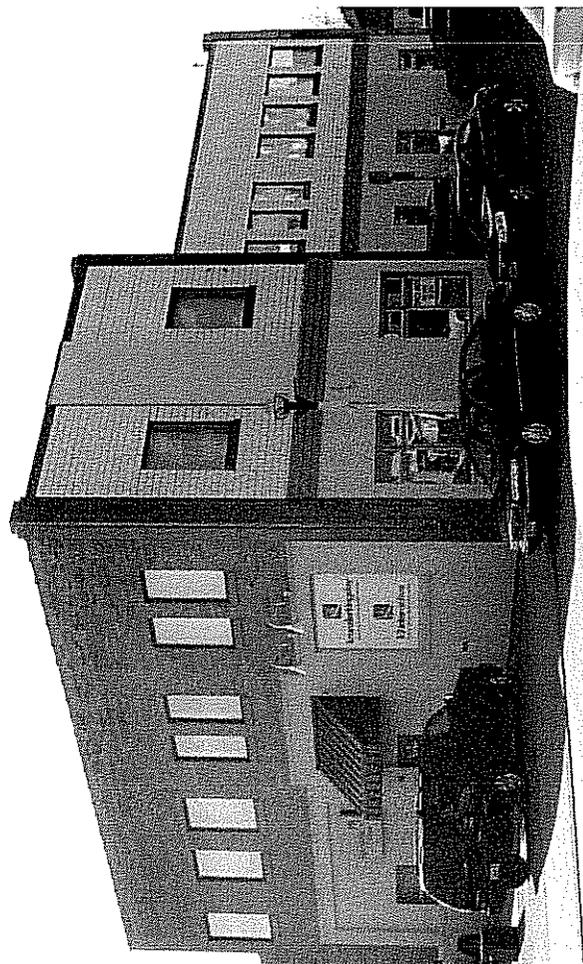
Kranzler Kingsley Communications Ltd.

  
Wayne Kranzler

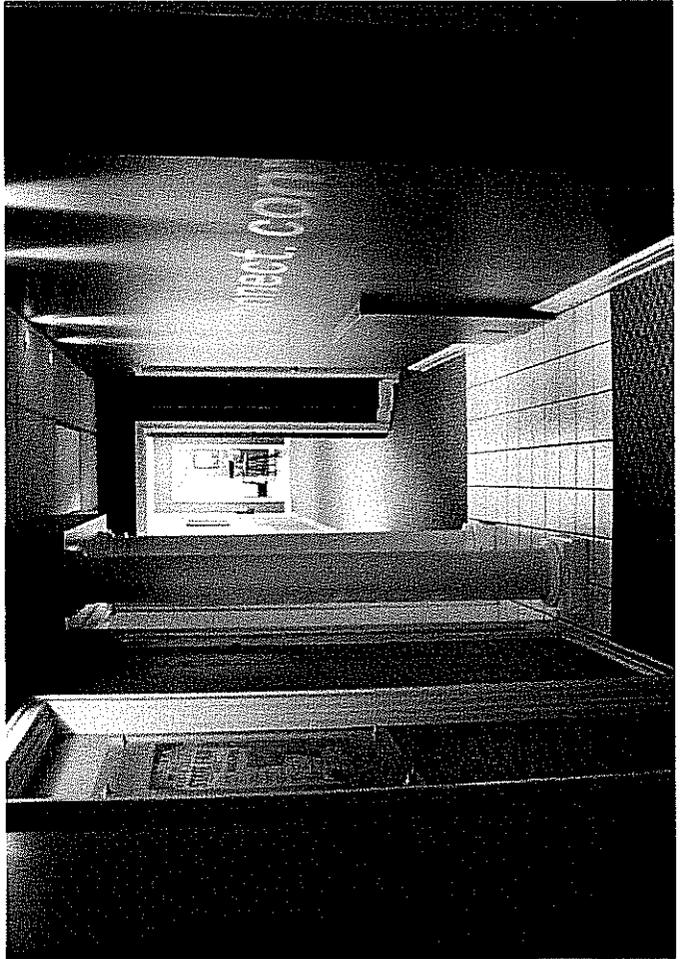
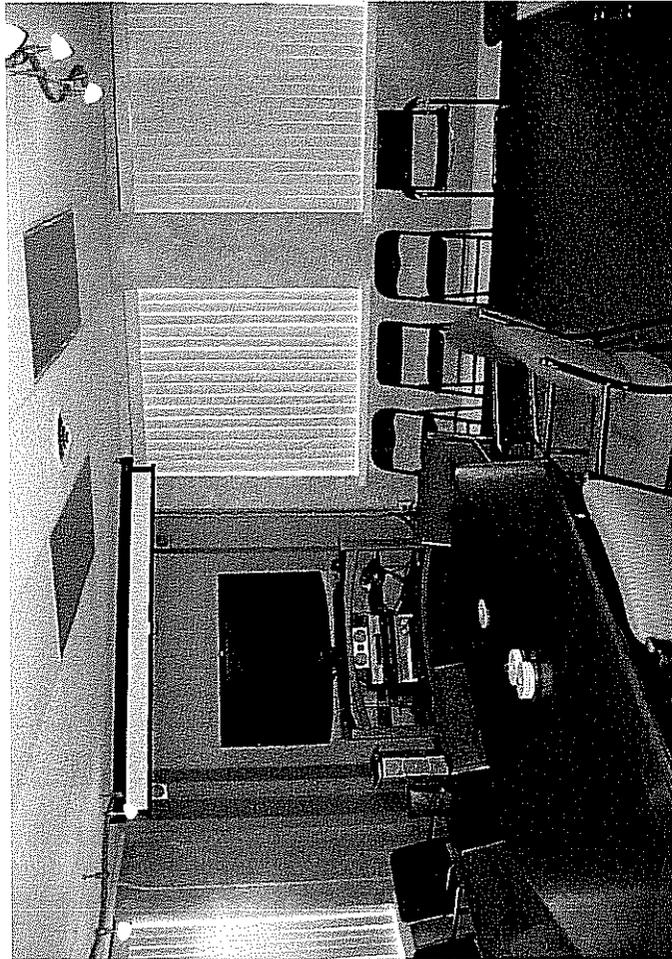
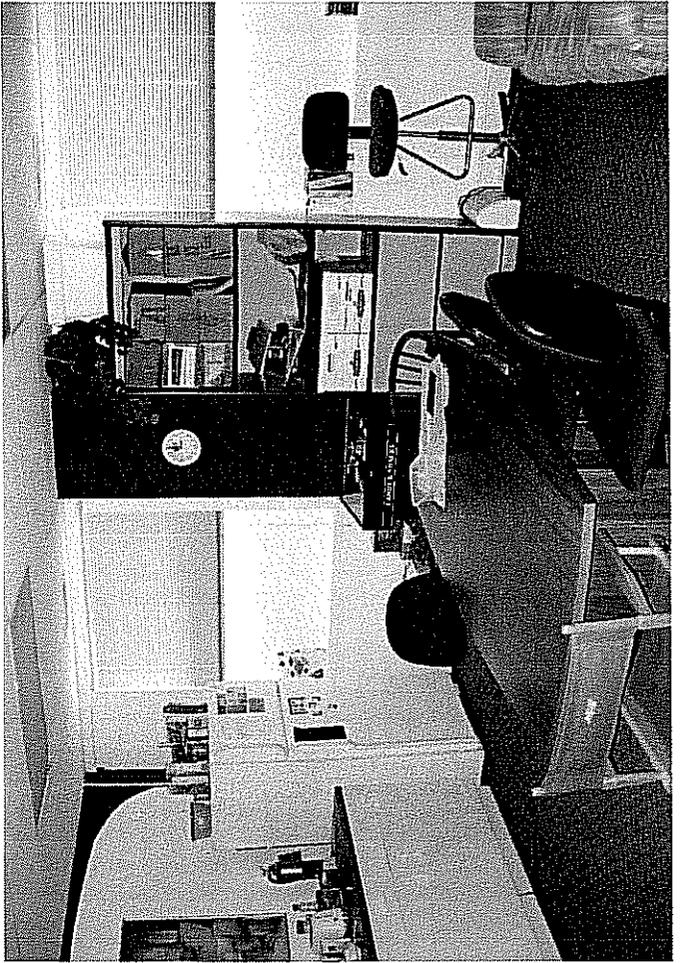
  
LaRoy Kingsley



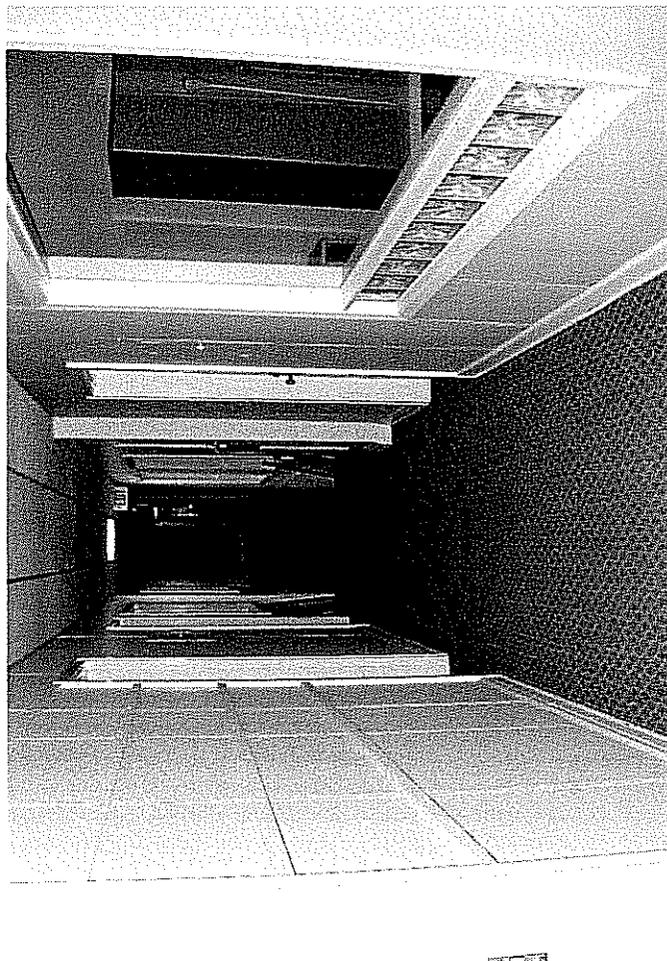
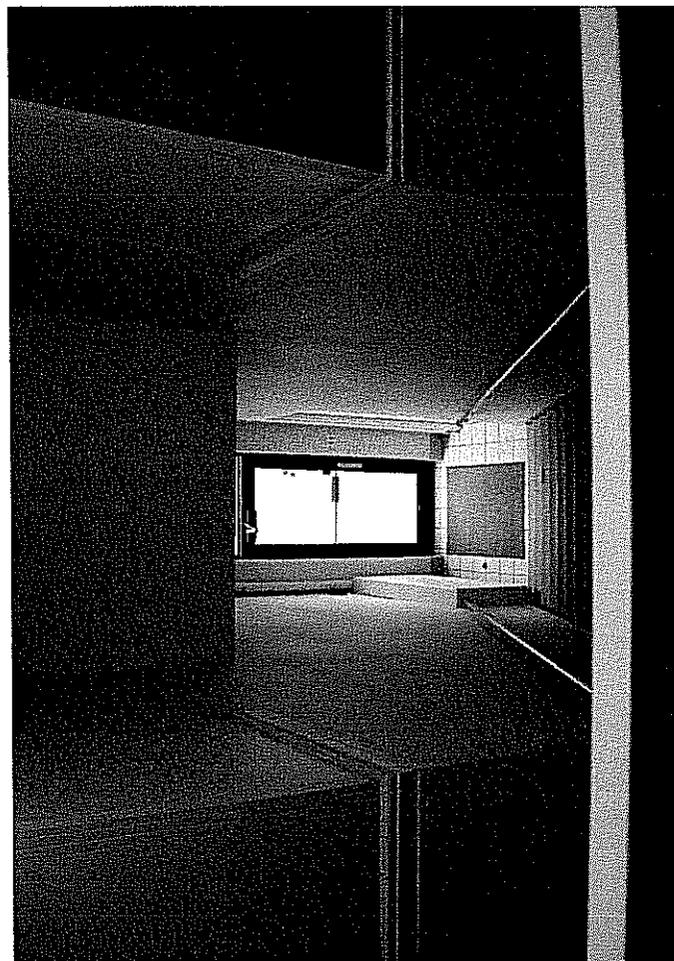
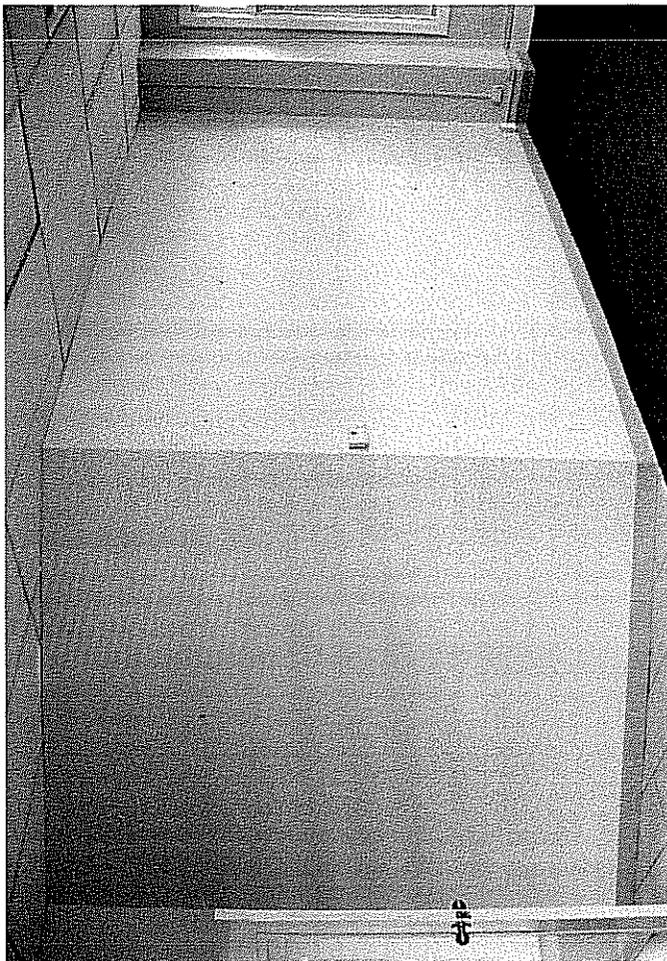
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**BISMARCK RENAISSANCE ZONE AUTHORITY  
STAFF REPORT**

<b>BACKGROUND:</b>		
<b>Title:</b> IRET Properties, LP - Rehabilitation		
<b>Status:</b> Renaissance Zone Authority	<b>Date:</b> December 9, 2009	
<b>Street Address:</b> 715 East Broadway Avenue	<b>Legal Description:</b> Tract 715 of Blocks 40 & 42, Original Plat	
<b>Project Type:</b> Rehabilitation	<b>Renaissance Zone Block Number:</b> Block 3B	
<b>Applicant:</b> IRET Properties, LP	<b>Owner:</b> IRET Properties, LP	
<b>Project Description:</b>  The applicant is proposing to completely demolish the interior of the building to better accommodate future multiple tenants. Renovations will include two new 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".		
<b>PROJECT INFORMATION:</b>		
<b>Parcel Size:</b> 64,200 square feet	<b>Building Floor Area:</b> 22,728	<b>Certificate of Good Standing:</b> Received
<b>Assessed Value of Building:</b> \$1,251,000	<b>Proposed Investment:</b> \$1,136,650	<b>Estimated Value w/Investment:</b> \$ 1,818,000
<b>2009 Property Taxes:</b> \$ 26,843 (building only)	<b>Estimated Property Tax Benefit:</b> \$ 125,287 over 5 years	<b>Estimated Income Tax Benefit:</b> None
<b>PROJECT REVIEW GUIDELINES:</b>		
<b>High Priority Land Use:</b> Yes – office/retail	<b>Targeted Area:</b> Yes - vacant	<b>Public Space/Design:</b> No
<b>Capital Investment:</b> Yes	<b>New/Expanding Business:</b> N/A	<b>Historic Property:</b> No
<b>FINDINGS:</b>		
<ol style="list-style-type: none"> <li>The proposed use is consistent with the City's Renaissance Zone Development Plan.</li> <li>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.</li> </ol> <p style="text-align: right;"><i>findings continued...</i></p>		

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 7<sup>th</sup> 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.

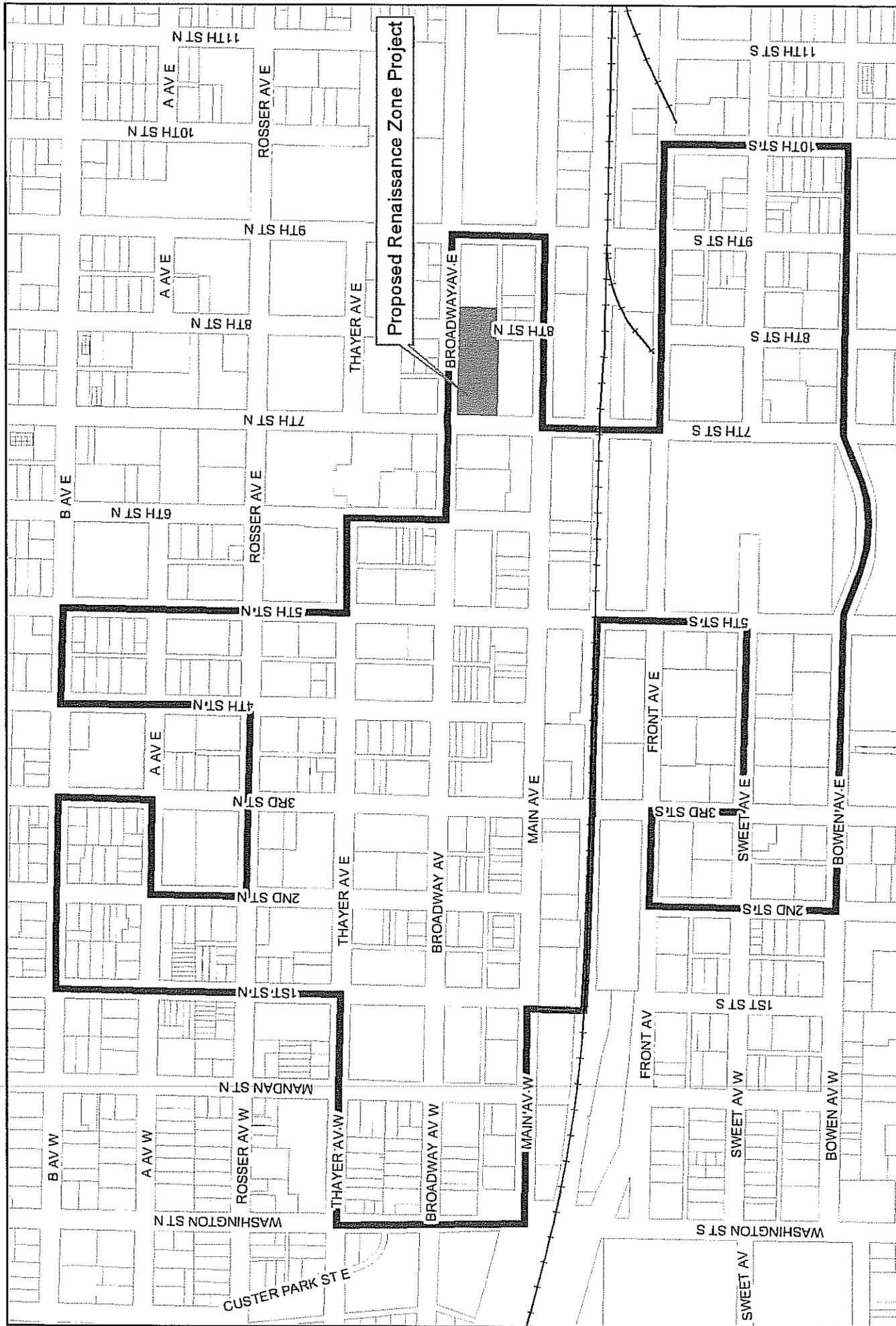
#### **RECOMMENDATION:**

Based on the above 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:

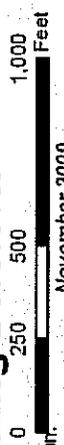
1. The Renaissance Zone Authority consider a waiver from Section 14-04-21.2 (DF - Downtown Fringe) of the City Code of Ordinances to allow the use of EIFS/Dry-Vit material as an exterior building material in lieu of the use of brick, stone architectural concrete or pre-cast concrete, or an equivalent 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).

<b>Title:</b> IRET Properties, LP		<b>Project Type:</b> Rehabilitation	
<b>Current Valuation:</b> \$1,251,000		<b>Proposed Capital Investment:</b> \$1,136,650	
<b>MINIMUM CRITERIA:</b>		<b>Possible Points</b>	<b>Staff Rating</b>
<b>Proposals Involving a Purchase with Improvements:</b>			
1	Use consistent with the Renaissance Zone Development Plan Specific goals: A1, A3, C1, C2, and C4	20	20
2	Significant level of re-investment based on guidelines for purchase projects Proposed re-investment total: 72.7%	20	20
<b>Subtotal</b>		<b>40</b>	<b>40</b>
<b>PROJECT REVIEW GUIDELINES - REQUIRED:</b>			
1	High Priority Land Use <ul style="list-style-type: none"> <li>• Primary sector business</li> <li>• Active commercial, specialty retail and/or destination commercial</li> <li>• Mixed use development</li> <li>• Residential units, including single or multi-family units</li> </ul>	15	15
2	Capital Investment <ul style="list-style-type: none"> <li>• Consideration for level of capital investment</li> </ul>	15	15
3	Targeted Area <ul style="list-style-type: none"> <li>• Parcels that have been vacant or underutilized for an extended period</li> <li>• Parcels specifically targeted for clearance</li> </ul>	15	15
	Relocation (vs. New or Expanding Business) <ul style="list-style-type: none"> <li>• Relocation from within the downtown area (may not be eligible)</li> <li>• Relocation from a community outside Bismarck area (may not be eligible)</li> <li>• Maintaining existing business in the downtown area or expanding business</li> </ul>	15	0
<b>Subtotal</b>		<b>60</b>	<b>45</b>
<b>TOTAL</b>		<b>100</b>	<b>85</b>
<b>PROJECT REVIEW GUIDELINES - OPTIONAL</b>			
1	Public Space/Design <ul style="list-style-type: none"> <li>• Incorporation of civic or public spaces</li> <li>• Demonstrated commitment to strengthen pedestrian connections</li> <li>• Attention to streetscape amenities and landscaping</li> <li>• Attention to design and visual appearance</li> </ul>	10	0
2	Historic Preservation and Renovation <ul style="list-style-type: none"> <li>• Within the downtown historic district</li> <li>• Contributing or non-contributing</li> <li>• Historic preservation component</li> </ul>	10	0
<b>Additional Optional Points</b>		<b>20</b>	<b>0</b>
<b>TOTAL</b>		<b>120</b>	<b>85</b>

# Proposed Renaissance Zone Project - Rehabilitation



## City of Bismarck - Community Development Department - Planning Division



This map is for representational use only and does not represent a survey. No liability is assumed as to the accuracy of the data delineated hereon.

November 2009

# IRET

creating shareholder value since 1970

## A. DETAILED PROJECT DESCRIPTION

IRET Properties, a North Dakota Limited Partnership (IRET) is the owner of the property at 715 E. Broadway, Bismarck, ND. IRET purchased this property on 08/01/2008. Since our purchase of the property we have demolished the building tower portion of this building complex and all that remains is a one story building that consumes a 22,790 sq. ft. foot print. This entire building complex was formerly the Bank of North Dakota facility.

The remaining building at the above mention address is called the Annex. The Annex is truly designed for a single tenant function. It is IRET's intention to complete the following work to modernize the building for a multi-tenant function.

- Completely demo the interior of the building to the shell.
- Installation of two entry points to the building, one on the east side and one on the north. Both entries will open into a common hallway with a hexagonal design to allow multiple access points to various suites of different square footage. Each of the two new common hallways will have their own new bathroom facilities.
- New energy efficient lighting will be installed throughout the common areas.
- The current HVAC system is approaching 25 years old and is designed for a single tenant function. The following will be completed: Demo the existing air handlers, VAV's, ductwork, and temperature controls. Reuse the existing major HWS and HWR pipe loop, boilers and pumps. Provide new convention water source heat pumps (installed above ceiling of perspective retail space), Energy Recovery unit's ductwork (installed above ceiling of perspective rental space), cooling tower (roof or ground mounted), HW BTU metering system and ATC temperature controls. This system will provide the ability for controlling space temperatures and flexibility to install perimeter HW heating at perimeter office spaces, entries, etc.
- Consolidation of all electrical, telephone, access system, fire panel to one mechanical room in the south east corner of the building. This will allow the removal of the remaining portion of the old connector hallway that use to supply access from the Annex building to the tower. This will clean up the building to a straight square exterior.
- Based on the age of the roof and the replacement of the HVAC system, IRET will also remove the existing roofing system and install a more energy efficient R24, 4 ply built-up roof system tapered to drains.
- With the consolidation of the electrical to the mechanical room on the southeast corner of the building we will also be installing eight new 225 amp 3 phase meters in preparation for the multi-tenant function of the building.
- Two new canopies will be installed at each entry point on the north and east to highlight those areas.
- Various areas of the exterior of the building will be touched up to continue the clean lines of the building.

## B. COST ESTIMATES

- Project costs are estimated at \$1,136,650.00.
- The project will not have any impact on historic properties
- The current building valuation is \$1,251,000
- The current land valuation is \$433,400

Investors Real Estate Trust &  
IRET Properties, a North Dakota  
Limited Partnership  
3015 16th Street SW, Suite 100  
PO Box 1988  
Minot, ND 58702-1988  
Phone: 701.837.4738  
Fax: 701.838.7785  
Email: info@iret.com  
www.iret.com  
NASDAQ Symbol: IRET

- According to the city assessor the 2009 fair market value of the building was \$1,251,000. The estimated renovation costs of \$1,136,650 represent 90.86% of the FMV of the building.

C. REASONS FOR REQUEST TO BE DESIGNATED A RENAISSANCE PROJECT

- IRET understands the need for local businesses to expand. The project will provide a opportunity for emerging or expanding entertainment, medical, office/service, and retail businesses in the downtown area.
- The completed project will provide a more conducive environment for additional employment, additional pedestrian traffic in the area that may provide additional income to local businesses located in the Renaissance Zone.
- The significant investment that IRET will make in the area supports the goals of revitalization and redevelopment of the core of the community.
- A renovation of this building in the designated renaissance zone may encourage additional support of other redevelopment activities within the zone.

D. DESCRIPTION OF HOW OUR PROJECT MEETS RENAISSANCE ZONE GOALS & OBJECTIVES

- The project is primary sector business.
- Use of this site is consistent with Renaissance Zone objective to encourage expansion and investment in existing properties.
- The investment proposed to be made in this project exceeds the minimum criteria required to be designated a Renaissance Zone project.
- The landscaping (trees) existing at the street level will be maintained.
- The site has on-site and off-site parking.

E. ESTIMATE OF PROPERTY TAX BENEFITS AND STATE INCOME TAX BENEFITS TO THE APPLICANTS

- State income tax benefits for the applicant are minimal due the favorable tax status the applicant has as a REIT. The estimated income tax benefit for the applicant would be \$0.
- The estimated real property tax for the building for 2009 is \$25,057.53. If property taxes were to remain the same for 2010 it is estimated that the property tax benefits would be \$125,287.65 over the 5 year period.

F. CERTIFICATE OF GOOD STANDING FROM THE STATE TAX DEPARTMENT

- A request has been made for a Certificate of Good Standing

G. CURRENT PHOTOS OF PROPERTY

- Attached

H. PROPOSED BUILDING FLOOR PLANS

- Attached

I. PROJECT TIMETABLE

Proposed Start Date: January 2010

Proposed Completion Date: March 2010

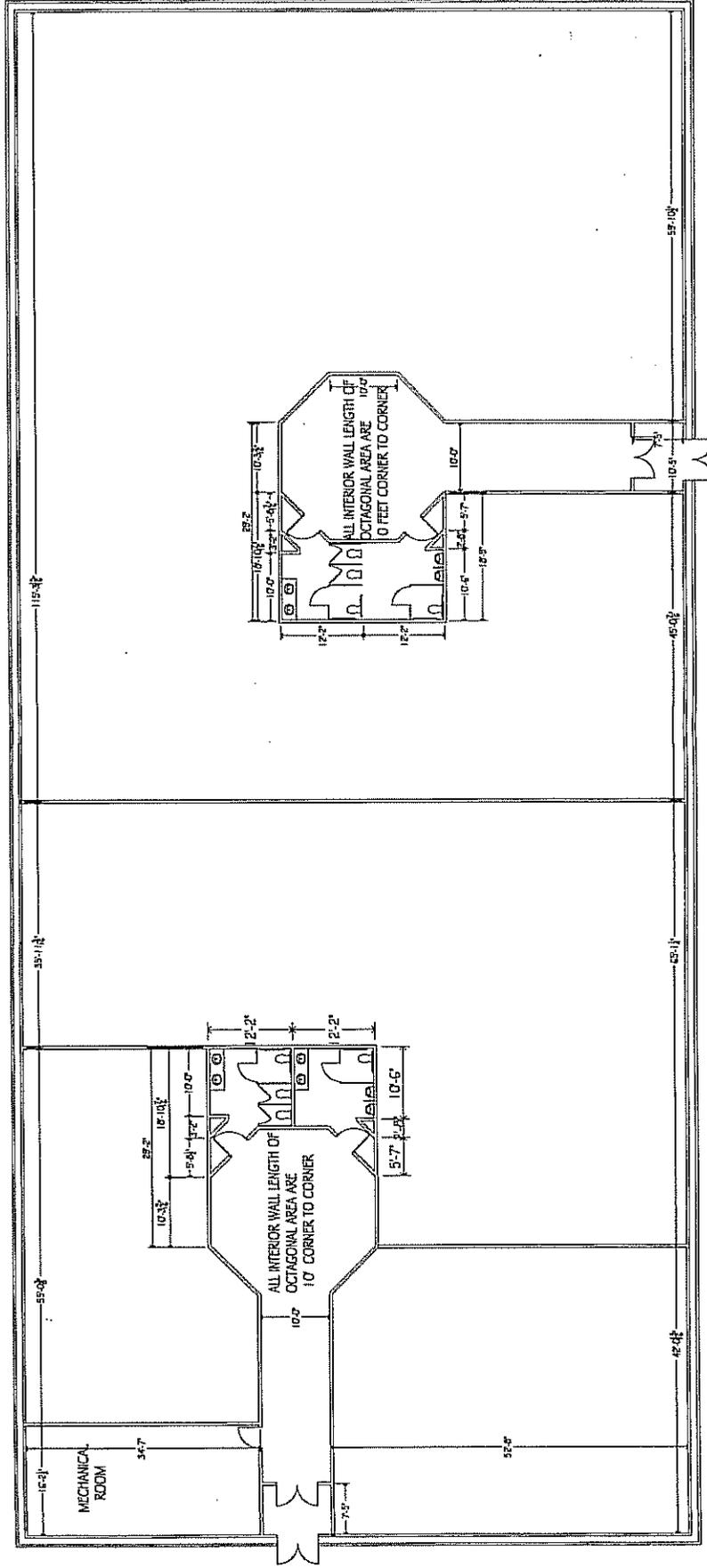
J. DOCUMENTATION FOR REHABILITATION COSTS

- Attached

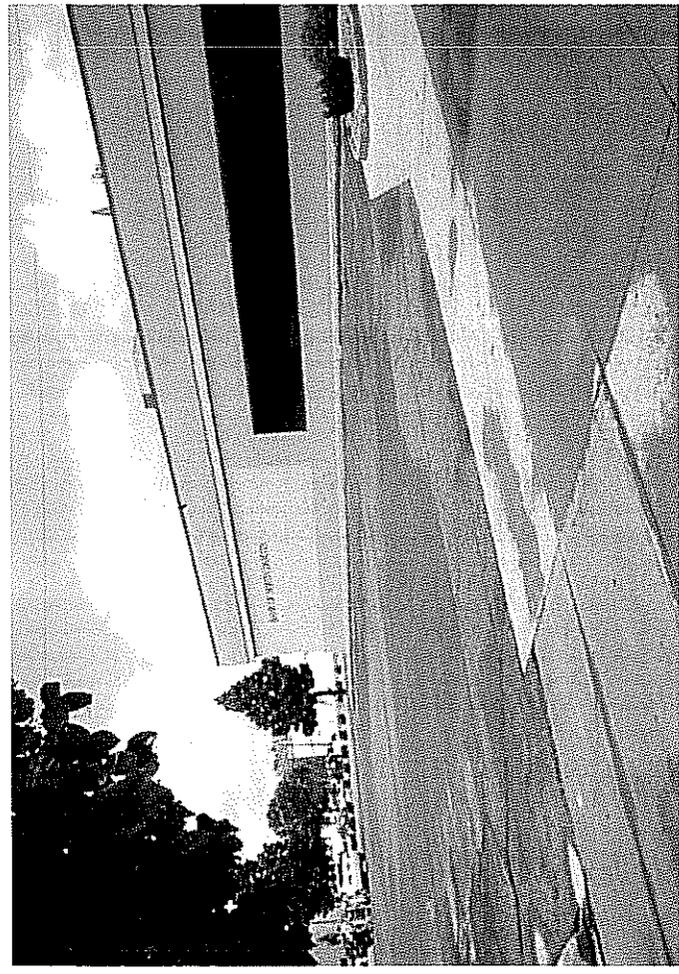
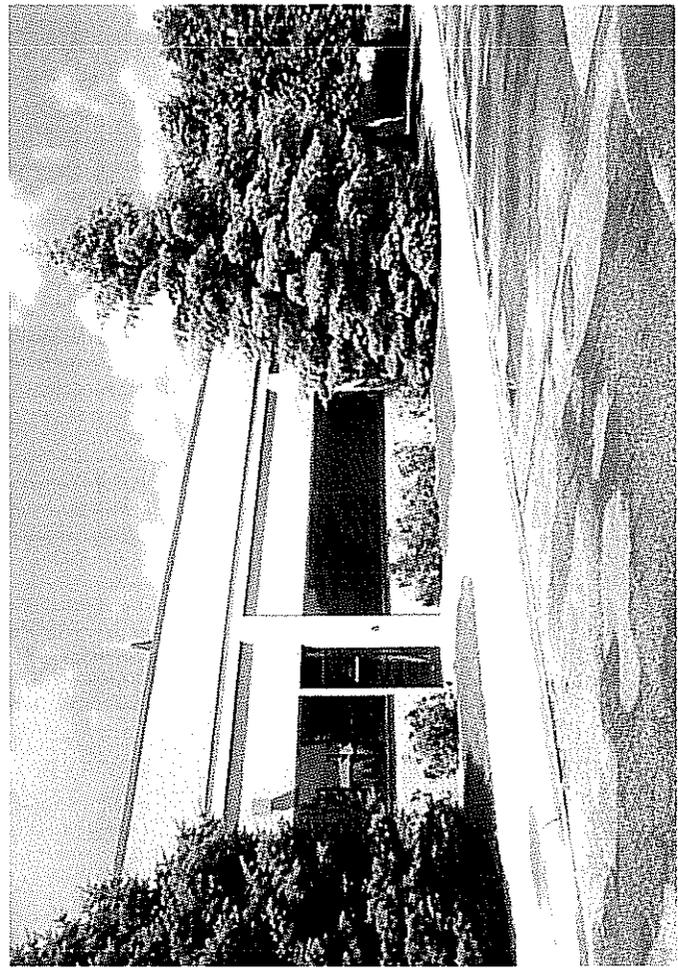


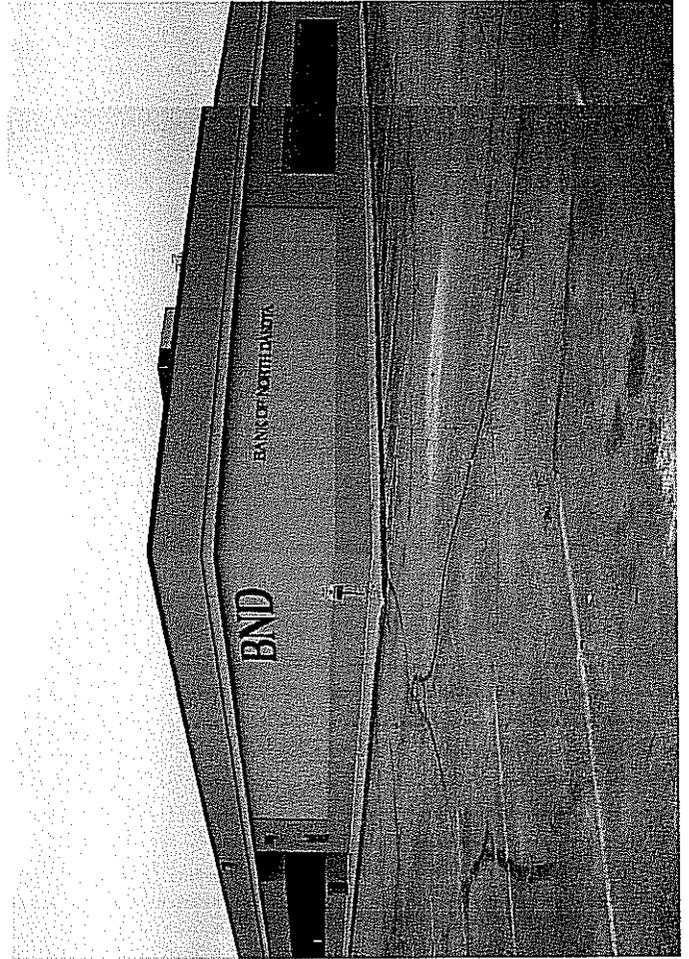
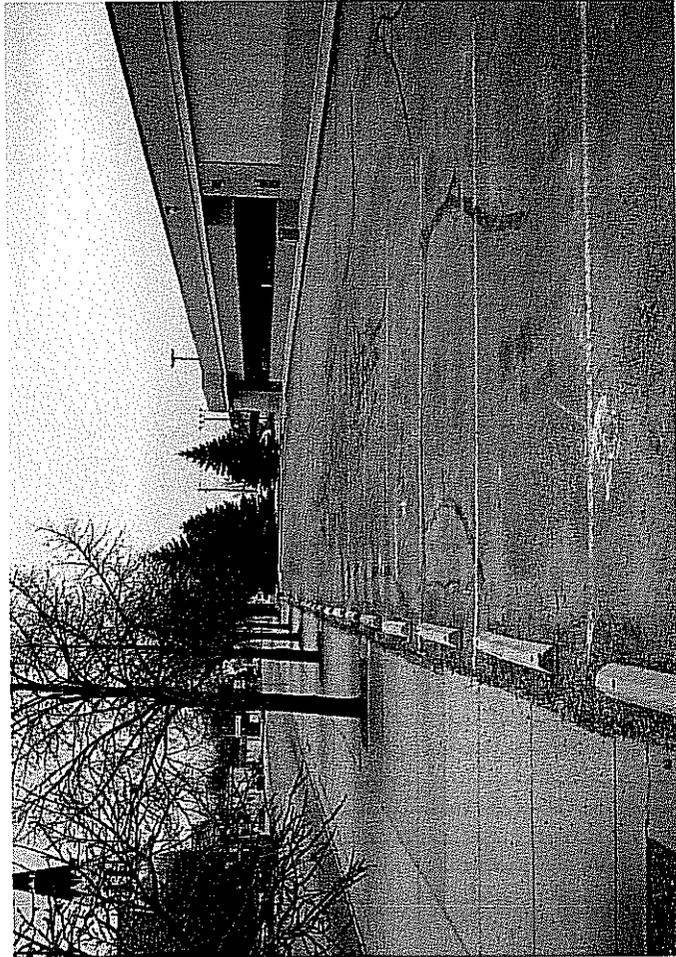
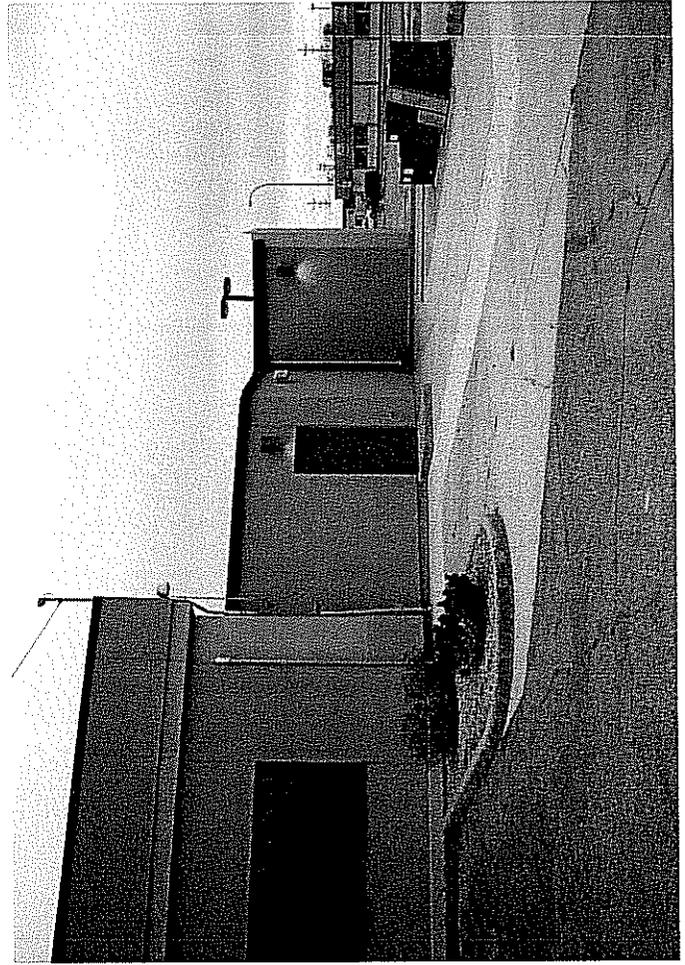
# IRET PROPERTIES

BISMARCK ANNEX  
715 E. BROADWAY



1/4" = 1'  
M





# 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
- **Kadrmass, 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

**City of Bismarck  
Renaissance Zone Authority  
Use of Multiple CORE Incentive Programs  
Statement of Policy**

***Use of Both Renaissance Zone & CORE Incentives***

Background

Applicants before the Renaissance Zone Authority have asked whether or not a property is eligible for designation as a Renaissance Zone project & CORE Incentive Grant programs, or if a property may only be eligible for one or the other.

Statement of Policy

It shall be the policy of the City of Bismarck to allow use of both the Renaissance Zone and CORE Incentive Grant programs if the applicant investment for each is counted only once. Accordingly:

- The required applicant investment for designation as a Renaissance Zone project cannot also be used to meet the required applicant investment for any CORE Incentive Grant program.
- The required applicant investment for any CORE Incentive Grant program cannot also be used to meet the required applicant investment for designation as a Renaissance Zone project.

***Use of Multiple CORE Incentive Programs***

Background

Applicants have applied for multiple CORE Incentive Grant programs for the same property; raising the question as to whether or not the use of multiple programs for one property is allowed.

Statement of Policy

It shall be the policy of the City of Bismarck to allow the use of more than one CORE Incentive Grant program for one property if the investment dollars are counted only once. Accordingly:

- The required applicant investment for any CORE Incentive Grant program cannot also be used to meet the required applicant investment for any other CORE Incentive Grant Program on the same property.

Approved by the Renaissance Zone Authority  
February 11, 2009

Approved by the Board of City Commissioners  
February 24, 2009

**RENAISSANCE ZONE AUTHORITY – EXCERPTS FROM MEETING MINUTES  
USE OF BOTH CORE AND RENAISSANCE ZONE PROGRAMS  
(DOUBLE-DIPPING)**

Review of CORE Committee Programs – January 26, 2006

Chair Tabor indicated that many of the proposed implementation programs are tied to tax increment financing and the tax increment financing district is tied to the Urban Renewal Plan. For this reason, amendments to the Urban Renewal Plan should be the first issue addressed. She added that the actual amendments to the text will not be that difficult, but that staff needs some direction as to the boundaries for the Urban Renewal Plan. She added that the tax increment district can be smaller than the area included in the Urban Renewal Plan, but cannot extend beyond the boundaries addressed in the Plan.

Several members had questions as to how the existing tax increment district worked. Mr. Wocken responded that the property values within the district were frozen when the district was established. The property taxes on the increase in value since that time goes into the tax increment fund while the property taxes on the frozen value are distributed to the various taxing jurisdictions. The increase in value is the “increment.”

A question was then asked about properties that have been added to the tax increment district since the original district was established. Mr. Wocken replied that those property values were frozen at the value they were when added to the district.

The use of tax increment financing was then discussed, with Chair Tabor pointing out that there needs to be a balance between the use of TIF and Renaissance Zone incentives. She added that when the tax exemption ends and/or the TIF fund is paid back, the value of the property is greater than before the investment.

Mr. Keiser commented that the boundaries of the district could look different as it is amended.

At Chair Tabor’s request, Mr. Whitman outlined the process for amending the Tax Increment District boundaries. There is a hearing process at the City Commission level, which would involve two meetings, but it does not have to be approved by the State. He added that other political subdivisions are concerned with the size of the tax

Mr. Huber asked if the Tax Increment District boundaries were expanded, wouldn’t it be unfair to those properties in the original district that have contributed to the fund for a long time with money from the fund going to the new properties that haven’t contributed. Chair Tabor replied that it is an overall downtown improvement project and any improvements to the downtown benefit the entire area. Mr. Keiser added that there are properties within the current district that haven’t benefited that could take advantage of the new programs.

Mr. Huber then asked about the current policy. Mr. Whitman stated there was a 10 year payback period. Mr. Wocken added that each project is approved individually by the City Commission and has to be for improvements to the exterior of the building. The funding is done in the form of a local, with the amortization based on the proposed increase in value compared to the existing value and the tax increment fund is paid back with taxes on that increase.

Mr. Walth stated that he understood that there was approximately \$7 million in the tax increment fund, adding that the fund will keep growing. Chair Tabor responded that was why the CORE recommended implementing additional programs to provide assistance to more properties in the downtown area.

Mr. Keiser then asked if the current tax increment program is used for exterior building improvements, why couldn't the Makoché project be funded now. Chair Tabor replied that there is currently a City policy indicating that both tax increment and Renaissance Zone incentives could only be used together for buildings that were in extremely bad condition, such as the Civic Square project. She added that the policy was developed with the assistance of the Renaissance Zone Authority prior to the CORE recommendations being made.

Mr. Huber then asked about the use of TIF for improvements to public buildings. Chair Tabor replied that those expenditures are paid back through the entire district. Mr. Huber then asked about the use of TIF funds for improvements to the Civic Center. Chair Tabor replied that in that situation, a loan was made from the fund and paid back by the Civic Center.

Chair Tabor added that TIF funds can be used for overall downtown projects, such as the proposal from the CORE to use tax increment financing to finish the streetscape within the downtown.

Mr. Keiser suggested that standards be developed to allow the use of tax increment funds with Renaissance Zone if a rehabilitation project goes over the minimum level of re-investment of 50%.

Chair Tabor replied that using both has historically been a problem, adding that it is an issue of not getting money back to the tax increment fund if both are used, since property taxes aren't paid for five years after completion. She added that with the new CORE programs, a minimum threshold for the fund has to be established and funds cannot be expended beyond that point.

Mr. Walth asked how much was coming into the fund each year, exclusive of payments. Chair Tabor that she did not have that value, but could obtain it.

Mr. Keiser asked whether the increased advantages associated with the Renaissance Zone have reduced interest in the use of tax increment financing. Mr. Whittey responded that the restriction on using the funds for exterior improvements only limits the field.

Mr. Whitman added that many property owners also take advantage of the five year property tax exemption for remodeling, which freezes the property value to what it was before improvements were made for a period of five years.

Mr. Walth commented that he would like to better understand how tax increment financing and other programs work. Chair Tabor stated that she would have the Finance Director put something together for a future meeting.

Chair Tabor asked Ms. Lee to send maps with the various district boundaries out to the members to review prior to the next meeting.

Mr. Walth questioned whether it would make sense to have the Urban Renewal Plan boundary the same as the Renaissance Zone boundary. Mr. Keiser responded that the Renaissance Zone should be within the Tax Increment District, but since the size of the Renaissance Zone is limited, it would be beneficial to have the Tax Increment District larger than the Renaissance Zone.

Mr. Huber stated that the real question is whether or not to expand the Tax Increment District.

Mr. Walth asked why the Tax Increment District would need to be expanded, since the Renaissance Zone is doing great things.

Urban Renewal Plan – Discussion of Boundaries – February 9, 2006

Chair Tabor stated that she would like the Authority to make a decision on the boundaries for the Urban Renewal Plan update, adding that maps showing the various downtown districts had been included in the agenda packet.

Mr. Whittey asked about the process for amending the boundaries. Chair Tabor replied that the Urban Renewal Plan needs to be amended to change the boundaries. Mr. Whitman added that there is a public hearing process at the City Commission level, but it does not have to be approved by the State.

Mr. Whittey then asked about the inequity involved if programs use both Renaissance Zone incentives and tax increment financing. Chair Tabor replied that she would like to get the boundaries resolved and some details of the various programs resolved before making a decision on the double dipping issue, as it would be a more informed decision at that time.

Mr. Keiser stated that it appears that about one-third of the property within the current tax increment district is tax exempt, adding that it doesn't make much sense to have them in the district. Mr. Whitman replied that fiscally, it doesn't make any difference. He added that if the properties were taken out, tax increment financing could not be used to fund public improvements on those properties, such as a parking ramp. Mr. Whitman went on to state that there are some taxable properties within the area around the hospitals and clinics.

Ms. Maier stated that the Assessing Division does keep track of expected taxable value within each tax increment district.

Mr. Keiser stated that the Renaissance Zone should be within the Tax Increment District.

Mr. Huber asked if some properties could be removed from the district, so adding other properties would be a wash for other taxing jurisdictions. Mr. Wocken replied that if an attempt is made to balance the numbers, a parcel by parcel analysis would be needed.

Mr. Whitman stated that the removal of property from the Tax Increment District will be popular with the other taxing jurisdictions, and additions to the District will not be. Mr. Wocken added that it will reduce the value of the District if properties are taken out of the district.

Mr. Blackstead asked if properties within the District have decreased in value. Ms. Maier replied that the value has not gone down, except for when a taxable property is converted to a tax-exempt property.

Mr. Huber asked if the non-profit property tax exemption was a City or State program. Mr. Whitman replied that it was at the State level.

Mr. Blackstead asked about the value of properties added to the District. Ms. Maier replied that the value is frozen when the property is added to the District.

Chair Tabor stated that the inclusion of blighted properties should not be a problem for other taxing jurisdictions, as the ultimate increase in value brought about by re-investment benefits all of the political subdivisions.

Mr. Keiser clarified how the value of a property is set. For example, if the property had recently been improved and was then brought into the District, the value would be set at that improved value. Mr. Whitman added that the value is set as of the effective date of the new District boundaries.

Mr. Walth stated that with a Tax Increment District, everything goes into the District, so the benefit is to the increment, not the political subdivisions. Mr. Whitman responded that at some point, the intent is to take areas that have been improved out of the District and return the taxes on the increase in value to the various jurisdictions.

Mr. Walth then asked if the intent is to grow the fund, hold the value or utilize the fund. Chair Tabor responded that the intent of the programs recommended by the CORE Project Committee is to utilize the fund. She added that the fund may grow because of increases in value, but that is not the goal.

Mr. Walth then asked where funds are spent. Chair Tabor replied that they are spent District-wide, not just in the immediate area where the funds are generated.

Mr. Blackstead asked if bonds were ever issued against the fund. Mr. Wocken replied that for the Third Street Ramp project, the Tax Increment Fund served as security for the bond.

Mr. Walth asked at what point a property is released from the District once it is improved. Mr. Whitman replied that there was an Attorney General's opinion on this issue which indicated that it was a judgement call of the City Commission. The Commission is to look at the health of the entire district and when areas are stabilized, they could be released. He added that the opinion indicated that the properties do not have to be released piece by piece as they are improved.

Mr. Walth then stated that the value of the fund has increased and questioned why that has happened. Mr. Whitman replied that it was not intentional. Mr. Wocken added that in the last five to six years, there have been very few applications.

Mr. Blackstead stated that he understands it is the intent to spend down the fund. Chair Tabor replied that was the intention of the CORE recommendations.

Mr. Wocken mentioned that the Downtown and Soo Line Districts are valued together.

Mr. Keiser indicated that he would like to see a map of the tax exempt property within the District, adding that it is hard to keep these properties in the District when they are not paying property tax. Potential modifications to the Tax Increment Financing District were then discussed. Mr. Blackstead and Chair Tabor agreed that the District should be extended to the north to take in the properties within the Renaissance Zone.

Mr. Walth asked why adding property to the District was of concern to the other taxing jurisdictions. Mr. Whitman replied that they take a shorter term view and see the addition of property to the District as taking money from their jurisdiction.

Mr. Blackstead then asked if there was any requirement as to when a property had to be taken out of the District. Mr. Whitman replied that there is no specific rule. Chair Tabor added that the Renaissance Zone Authority could make a recommendation as to exclusions from the current District.

The specific boundaries were again discussed, with Chair Tabor suggesting that a tentative boundary be established.

Mr. Wocken added that the District had been extended to 12<sup>th</sup> Street to square off the boundaries when the Soo Line District was established. He went on to state that there is actually some overlap between the Downtown District and the Soo Line District. He concluded by stating that there have been some discussions about dissolving the Soo Line District.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Blackstead to tentatively recommend that the Tax Increment Financing District boundary be extended to square off to follow the Renaissance Zone along Avenue B from 5<sup>th</sup> Street to 1<sup>st</sup> Street, then south to Thayer Avenue, west to Washington Street, south to Main Avenue, and square off again with the Renaissance Zone at 10<sup>th</sup> Street and Bowen Avenue. With members Blackstead, Huber, Keiser, Magstadt, Vondrachek, Tabor and Walth voting in favor, the motion passed unanimously.

Chair Tabor added that the Authority can look at other adjacent blocks as it goes through the process.

Ms. Lee indicated that she would prepare a map of tax-exempt property within the area for review at the next meeting.

#### Review of TIF Funds and Urban Renewal Plan – March 9, 2006

Chair Tabor indicated that she would like to delay any discussion of how tax increment financing and Renaissance Zone incentives intertwine, adding that the use of both programs will be discussed when all other aspects of the various programs are defined.

#### Other Issues – April 27, 2006

Chair Tabor indicated that she would like to discuss the following items at the next meeting: 1) the ability of an applicant to utilize multiple tax increment funded programs; 2) the ability of an applicant to utilize any of the tax increment funded programs along with the Renaissance Zone program; and 3) whether or not the current tax increment financing program should continue in addition to the programs recommended by the CORE Project Committee.

#### Application Materials – December 20, 2006

Mr. Keiser asked if Renaissance Zone funding is being used what happens if Tax Increment Funding is also used. Chair Tabor responded that the issue has not been resolved. Chair Tabor continued by stating that if a request is received to use both sources for funding that it would make sense to decide on the matter at that time.

Mr. Keiser stated that attracting housing to downtown has not been successful. Mr. Keiser stated that the incentive to utilize both the Housing Incentive Grant and Renaissance Zone programs would increase interest and awareness of available funding programs and incentive grants for housing.

Mr. Huber stated that unless a building is occupied by the owner there isn't a lot of incentive to be located within the downtown area.

Ms. Lee stated that there is also a 5-year rehabilitation incentive that goes through the City of Bismarck's Assessing Department. Chair Tabor stated that if other incentives are being granted for improvements in the downtown area, they should also go through the Renaissance Zone Authority. (*Secretary's Note: This reference was to the Property Tax Exemption of Improvements to Commercial & Residential Buildings allowed under NDCC 57-02.2. Any exemptions granted under this program are approved by the City Commission.*)

Mr. Keiser stated a 2-year sunset period of combined Renaissance Zone funding and Tax Increment Funds should be considered. The topic should be revisited after the sunset clause has expired to determine if the combination of available programs is successful. Mr. Keiser continued on by saying that

a housing component within the downtown community is essential; experimenting with various approaches to encourage a healthy downtown may be successful.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Huber to recommend allowing the combination of the Renaissance Zone incentives and Housing Incentive Grant Program for a 2-year period to encourage the creation and rehabilitation of housing in the downtown. With members Blackstead, Huber, Keiser, Tabor, Vondrachek, and Walth voting in favor, the motion passed unanimously.

#### Program Details – January 3, 2007

Ms. Lee stated that the program details are still being finalized. Once the details have been finalized they will be distributed.

Mr. Huber asked which programs from the CORE can be used concurrently with funding from the Renaissance Zone. Chair Tabor clarified that currently the Revolving Loan Fund and the Housing are the only two (2) programs that can work together. Ms. Lee added that the motion made at the previous meeting of Renaissance Zone Authority members the motion was interpreted to allow the Housing Incentives and the Revolving Loan Fund.

Mr. Keiser stated that the Renaissance Zone Authority has the right to eliminate or allow a project to move forward. Mr. Keiser continued by saying that it would be considered double-dipping if funding from both the Renaissance Zone and the Tax Increment Fund is allowed.

#### CORE Housing Incentive Grant – 116 North 5<sup>th</sup> Street – August 27, 2007

Mr. Tomanek gave a brief overview of the project that outlined the applicants' wishes to renovate the four apartments located on the second floor of the building. The applicants wish to refurbish the street level entry area with a new door, add new mailboxes, install a security system, and improve the common stairway, hallway, and laundry area. Improvements to the four living units include new countertops, cabinets, appliances, fixtures, front doors and flooring. Additionally the applicants would also like to expand the upper level exterior deck on the west side of the building. The estimates provided by the applicants outline the costs associated with improving the street-level entry area at \$4,000, improvements to the common stairway and hallway areas at \$3,000, common laundry area improvements at \$500, and internal improvements to the four living units at \$12,000 per unit, and the exterior deck improvements are estimated at \$8,000. The Housing Incentive Grant the program provides a grant for 20% of the total project cost with a minimum applicant investment of \$20,000 and a maximum grant of \$70,000. Based on the estimates of \$63,500 provided by the applicants the incentive grant requested is \$12,700.

Mr. Keiser asked if off-street parking is required with downtown residential units. Ms. Lee stated that this property is located within the Downtown Parking district there are no requirements to provide off-street parking in conjunction with housing.

Mr. Tvenge inquired as to the location of the deck. Mr. Everson responded by saying that there is an existing deck on the west side of the building. The plan is to expand the deck and offer it as an amenity to the future tenants of the building.

Mr. Walth asked if the deck can be expanded. Mr. Everson stated that he had checked with Building Official Ray Ziegler and it can be done.

Mr. Walth asked if there are multiple bids required for this project. Mr. Tomanek replied that currently the guidelines do not state that multiple bids are required for Housing Incentive projects.

Mr. Walth asked if requiring multiple bids for CORE Incentive Projects is feasible. Ms. Lee stated that multiple bids could become a requirement when submitting an application.

Mr. Keiser asked how proper egress from the building is checked. Mr. Whitman replied that the Building Inspection Division will require proper that egress measures are taken.

**MOTION:** A motion was made by Mr. Magstadt and seconded by Mr. Keiser to recommend approval of the request for assistance through a CORE Housing Incentive grant in the amount of \$12,700, which is 20% of the total project cost based on estimates provided by the applicants. With members Blackstead, Huber, Keiser, Magstadt, and Walth voting in favor the motion passed unanimously.

Renaissance Zone Project - 116 North 5<sup>th</sup> Street – August 27, 2007

Mr. Tomanek gave a brief overview of the project that outlined the applicants' plans for the building. Proposed improvements include physical and structural improvements to the exterior, main floor, lower level, and upper level. Improvements to the four living units on the upper level include new countertops, cabinets, appliances, fixtures, front doors and flooring. Additionally the applicants would also like to expand the upper level exterior deck on the west side of the building. The improvements to the upper level will be assisted through the CORE Housing Incentive Grant. The request for Renaissance Zone Project designation would be a purchase with improvements. The current assessed value of the building is \$166,800, the proposed investment is \$137,500 (including the Housing Incentive grant), and the reinvestment is 83.4% of the value of the building.

Mr. Walth stated that this project is a mix of commercial, professional office space, and housing. Mr. Walth continued by stating that the intent of the CORE Housing Incentive Grant may have been for projects that were solely housing, not mixed use.

Mr. Keiser stated that this decision becomes an important policy decision that will set precedent for future projects.

Ms. Lee stated that it was staff's understanding that that the Housing Incentive Grant funds could be used toward the total capital investment for designation of a Renaissance Zone Project.

Mr. Tvenge said that the urban design standard typically has mixed uses that include commercial, residential, and office space.

Mr. Walth stated that eligibility criteria for the CORE Housing Incentive Grant include the conversion of non-residential space to residential, substantial rehab of existing housing including flooring, cabinets, painting, etc., and the creation of new units that address the affordable housing goals of the urban renewal plan.

Mr. Keiser asked if this item could researched to determine if the intent of the CORE Housing Incentive program was to be able to use funds from CORE Programs to count toward rehabilitation projects through the Renaissance Zone.

Ms. Lee stated that \$74,000 in improvements will be invested in the lower level. Based on the 2007 assessed value of the building at \$166,800, a \$74,000 capital investment would reach a 44.4% level of reinvestment. The 44.4% level of reinvestment would qualify the applicant for an 80% tax exemption, based on the purchase project guidelines matrix.

Ms. Lee said that staff will work with the City Assessor's office to determine a more accurate value for each level of the building. (*Secretary's Note: Brenda Johnson of the City Assessing Department determined that the lower level of the building would be valued at \$12,500, the main level of the building would be valued at \$87,400 and the upper level of 116 North 5<sup>th</sup> Street would be valued at \$66,900.*)

**MOTION:** A motion was made by Mr. Magstadt and seconded by Mr. Huber to continue action on this item until the next meeting date, (the date of the meeting is to be determined). With members Blackstead, Huber, Keiser, Magstadt, and Walth voting in favor the motion passed unanimously.

Renaissance Zone Project – 116 North 5<sup>th</sup> Street (Continued from August 27, 2007) – September 4, 2007

Mr. Tomanek gave a brief overview of the project that outlined the applicants' wishes to renovate the four apartments located on the second floor of the building. The applicants wish to refurbish the street level entry area with a new door, add new mailboxes, install a security system, and improve the common stairway, hallway and laundry area. Improvements to the four living units include new countertops, cabinets, appliances, fixtures, front doors and flooring. Additionally the applicants would also like to expand the upper level exterior deck on the west side of the building. The estimates provided by the applicants outline the costs associated with improving the street-level entry area at \$4,000, improvements to the common stairway and hallway areas at \$3,000, common laundry area improvements at \$500, internal improvements to the four living units at \$12,000 per unit, and the exterior deck improvements are estimated at \$8,000. The funding for the CORE Housing Incentive Grant was approved at the meeting of August 27, 2007 in the amount of \$12,700, which is 20% of the total project cost based on estimates provided by the applicants. Mr. Tomanek concluded by stating that at the last meeting the Renaissance Zone Authority had decided to continue this item to allow for further discussion.

Chair Tabor stated that there are two outstanding issues with this project. The first issue is what part of the applicants' investment in the housing portion of the project can count toward the requirements of the Renaissance Zone, and the second issue is can the match provided by the CORE Housing Incentive Grant be counted toward the overall investment in the building.

Mr. Keiser said that currently there isn't a policy regarding double-dipping between the CORE Housing Incentive Grant and the Renaissance Zone program. He continued by stating that some flexibility should be considered when addressing housing projects in the beginning stages of the CORE Incentive Programs. Mr. Keiser also commented that he has some concerns regarding the allowance of an applicant to use dollars through the CORE Incentive Programs to gain access for other dollars from the Renaissance Zone program.

Mr. Walth stated that the real problem with double dipping in this situation is that there should be Renaissance Zone dollars tied to this project.

Mr. Tvenge mentioned that this is the type of project that should be encouraged because there is a mixed-use of a building.

Chair Tabor stated that the intent of the CORE Incentive Programs wasn't to allow Tax Increment Financing (TIF) funds to count toward the overall investment.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Walth to not allow the CORE Housing Incentive Grant funds to be counted toward the overall investment into the property at 116 North 5<sup>th</sup> Street. With members Blackstead, Huber, Keiser, Magstadt, Tabor, and Walth voting in favor the motion passed unanimously.

Ms. Lee stated that of the \$63,500 investment included the CORE Housing Incentive Grant application, \$50,800 is out-of-pocket for the applicants and \$12,700 is the 20% matching grant. Ms. Lee asked the Authority members if the \$50,800 can be used to meet the required 50% investment.

Mr. Keiser replied that the scenario Ms. Lee described is exactly what he had in mind when considering this issue originally.

Mr. Walth asked if carpet and cabinets are covered under the current Renaissance Zone. Ms. Lee replied that if it is part of the entire project, then yes the carpet and cabinets can be counted toward the overall investment. Ms. Lee continued by listing the following items that are proposed to be part of the overall project: physical and structural improvements to the exterior, main floor, lower level, and upper level. Improvements to the four living units on the upper level include new countertops, cabinets, appliances, fixtures, front doors and flooring. Additionally the applicants would also like to expand the upper level exterior deck on the west side of the building. Ms. Lee concluded by stating that the applicants are proposing to completely renovate the first floor and provide new flooring on the lower-level and first floor.

Mr. Whittey asked what the exterior improvement would include.

Mr. Lindblom replied that this is something that may be looked at in the future, but they have no plans to alter the exterior at this time. The immediate project includes changes to the private entrance on the south end of the building that accesses the residential units on the second floor, a new door and security system. Chair Tabor asked if the façade meets the current guidelines for downtown buildings. Ms. Lee replied that it does not meet the current guidelines because much of the façade of covered with EIFS.

Mr. Walth inquired about what could be done to the current façade.

Mr. Whittey stated that no one would know until the existing material has been removed.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Magstadt to recommend designation of the rehabilitation of the building, a five year property tax exemption on the building and improvements for five years at 116 North 5<sup>th</sup> Street as a Renaissance Zone Project with the basis for the project at \$74,000. With members Blackstead, Huber, Keiser, Magstadt, Tabor, and Walth voting in favor the motion passed unanimously.

Mr. Walth stated that this is a small project and his concern is that with future projects one could argue that a portion of the CORE Housing Incentive Grant should be put in by the developer.

Mr. Keiser said that in order for downtown to maintain a viable status we have to bring housing in to the area. The Renaissance Zone dollars are used the value are increasing. Flexibility should be allowed and commercial development is often times easier than residential. Mr. Keiser concluded that if the Renaissance Zone Authority is not flexible that opportunities could be missed.

Mr. Walth stated that in two years from the beginning of the CORE Incentive Program's inception the issue should be looked at again. Mr. Walth concluded by suggesting the date as December, 2008.

Mr. Keiser stated that the front of the building at 116 North 5<sup>th</sup> Street could be restored. Mr. Keiser asked if the developers could come back the Renaissance Zone Authority and request funding from the CORE Incentive Program for Façade and Signage and Technical Assistance.

Ms. Lee stated that currently the programs are mutually exclusive and this building would not be eligible for any additional programs through the CORE.

Mr. Walth asked what the condition of the brick is in. Mr. Everson stated that according to the building inspector that there was no appearance of internal water damage.

Mr. Whittey asked if the Renaissance Zone Authority would be supportive of a grant through the CORE Technical Assistance Bank if the owners were willing to restore the building façade.

Chair Tabor stated that the Renaissance Zone Authority would need to look at the project as a whole and suggested that the discussions should take place if necessary.

Chair Tabor told the owners of the building at 116 North 5<sup>th</sup> Street (Rainmaker Gusto Ventures, LLC) that if they would consider façade improvements to look to the CORE Technical Assistance Bank to help determine if something can be done. Chair Tabor continued by stating that the Renaissance Zone Authority is asking as a “good neighbor” and to consider doing some improvements.

Mr. Keiser stated that the façade improvement project would be considered as a potential CORE Incentive Program project if the owners would ever consider restoring the façade.

#### 116 North 5<sup>th</sup> Street – CORE Technical Assistance Bank – June 23, 2008

Mr. Tomanek stated that Rainmaker Gusto Ventures, LLC is requesting assistance from the CORE Technical Assistance Bank to work with an architect to develop a concept for the rehabilitation of the building façade at 116 North 5<sup>th</sup> Street. Mr. Tomanek pointed out that a portion of the minutes from the September 7, 2007 meeting of the Renaissance Zone Authority were included in the packet for reference. Mr. Tomanek continued by saying that the Rainmaker Gusto Ventures group was asked at the September 7, 2007 Renaissance Zone meeting as a “good neighbor” to consider rehabilitating the exterior of the building. Mr. Tomanek stated that the property has previously been approved as a Renaissance Zone rehabilitation project and that the owners have completed the renovation of the 1<sup>st</sup> floor and are currently working on rehabilitation of each of the four apartments on the 2<sup>nd</sup> floor.

Mr. Whittey asked if an architect has been selected for the project. Mr. Tomanek stated that an architect has not been chosen at this time and there are 7 potential architects on the list that have agreed to work with the Technical Assistance Bank. Chair Blackstead noted that typically an architect is not selected by staff, but rather the applicant. Mr. Tomanek added that the previous projects involving architects from the CORE Technical Assistance Bank were projects that were brought forward by the applicants in which each applicant had requested to work with a specific architect from the Technical Assistance Bank.

Mr. Keiser asked how many of the previous projects involving the CORE Technical Assistance Bank were for façade restorations. Mr. Tomanek said that all but one of the projects to date have been for façade restoration/renovation. Mr. Tomanek noted that the project at 207 East Avenue B by Janet Pinks involved a structural engineer from the Technical Assistance Bank.

Mr. Huber said that previous discussions have been had regarding “double-dipping” with the Renaissance Zone and CORE Incentive Programs and that this project was considered for assistance from the CORE Technical Assistance Bank because housing is tied to the project and the applicants were asked as good neighbors to consider rehabilitation of the building exterior at a previous meeting of the Renaissance Zone Authority.

Mr. Tomanek explained that the request from the Rainmaker Gusto Ventures, LLC group is to allow the applicants to procure the services of an architect from the Technical Assistance Bank for up to 30 hours of design and drafting services at a rate of \$70.00 per hour with a 25% match of funds by the applicants. The end result of the CORE Technical Assistance Bank project will be a design for a restored or

renovated building façade. Mr. Tomanek continued by stating that the CORE Technical Assistance Bank project typically leads to a request from the CORE Facade and Signage program to provide additional matching funds for the restoration of the building façade. Mr. Tomanek explained that the capital investment that was required of Rainmaker Gusto Ventures, LLC for qualification as a Renaissance Zone project has been met with the 1<sup>st</sup> floor rehabilitation and that there is little incentive for the building owners (Rainmaker Gusto Ventures, LLC) to rehabilitate the exterior of the building without assistance from the CORE Incentive Programs.

Mr. Walth stated that he is concerned with this project because of the “double-dipping” between the Renaissance Zone and the CORE Incentive Programs. Chair Blackstead asked if the funds for the CORE Incentive Programs are all from the same fund. Mr. Tomanek explained that all the reimbursement funds through the CORE Incentive Program are generated by the TIF district and that there are no funds associated with the Renaissance Zone because that program is strictly tax exemptions.

**MOTION:** A motion was made by Mr. Magstadt and seconded by Mr. Huber to recommend approval of the request by Rainmaker Gusto Ventures, LLC for a Technical Assistance Bank grant which would allow the applicant to procure the services of a licensed architect for façade improvement design work, up to an amount of \$1,575 is based on an hourly rate of \$70.00 for a maximum of 30 hours and a 25% match provided by the applicant. With members Blackstead, Huber, Keiser, and Magstadt voting in favor, and Walth voting against, the motion passed 4-1.

#### Other Business – July 9, 2008

Mr. Huber asked for clarification regarding “double dipping” between the Renaissance Zone and the CORE Incentive Programs. Mr. Huber suggested that a policy be developed to address this issue because the topic will come up again in the future. Mr. Walth said that he agrees with Mr. Huber and that as he recalled the owner investment for the Rainmaker Gusto Ventures Renaissance Zone project at 116 North 5<sup>th</sup> Street was very minimal in comparison to the tax exemptions they have the potential to receive. Mr. Walth suggested that the Authority have a solid discussion regarding double dipping between the Renaissance Zone and the CORE Incentive Programs. Mr. Huber added that when the CORE Incentive Programs were developed there was discussion at that time whether or not applicants would be allowed to use both programs and the decision at that time was that if there was a housing component tied to the project that double dipping would be acceptable. Mr. Huber continued by saying that perhaps CORE projects could be pro-rated if both programs were being used. Mr. Walth suggested that the minutes from previous meetings should be looked back on to help determine the best course of action in the future.

Mr. Tomanek said that recently a question was raised by a person that will be leasing space in Rick Kiemele’s building. The leasable area is the space that that will become vacant once Westley’s Jewelry relocates. Mr. Tomanek continued by saying that the individual had asked if she could apply for a CORE Facade & Signage Grant to update the tan-colored awning that currently has Westley’s logo on it because Westley’s has brand new, black awnings in place. General discussion took place regarding the progress of the rehabilitation project. Mr. Tomanek said that no permits had been pulled regarding plumbing or the creation of the common bathrooms that were originally proposed. Ms. Vondrachek said that until it has been clarified what will be done as part of the rehabilitation project the woman requesting funds from the CORE Incentive Programs would need to wait before she could apply. Mr. Whitman said that the CORE Incentive Programs were created by the City of Bismarck and there is no mention or prohibition of these programs in the Century Code. The City is in total control of how the CORE Incentive Programs are administered and can make the decision to allow projects to take advantage of the Renaissance Zone, the CORE Incentive Programs, or both. The general consensus of the Authority would be to allow the woman to apply for a CORE Facade & Signage Grant if the Westley’s project proceeds as it was originally presented. *(Secretary’s Note: The project will continue to move forward as it was originally*

*presented. The delay in creating the common bathroom was because Westley's Jewelry had to vacate their original space to allow for the construction of the bathrooms. This could not occur until the easternmost portion of the building restoration was complete. Permits have been received and the bathroom space and the new lease space are currently under construction.)*

Mr. Walth asked for clarification as to what the TIF funds can be used for. Mr. Whitman replied that the TIF funds can be used for general public improvements downtown. Mr. Whitman added that TIF funds could be used to add a public plaza, improve water and sewer lines, fix or add sidewalks, construct parking ramps, and a Quiet Rail Zone. Mr. Whitman continued by saying that the City can also lend aid to private business to improve and stabilize their property values downtown. Mr. Whitman concluded by stating that the TIF does not have any operating guidelines other than the State Century Code and the Urban Renewal Plan.

Mr. Whitman said that he agrees with the original position that residential projects downtown receive a little bit different treatment than a project that is solely commercial. Mr. Whitman continued by saying that the real issue for commercial projects is whether or not to allow credit for the same dollars spent between the Renaissance Zone and the CORE Incentive Programs. Mr. Whitman said that the idea of pro-rating them makes sense because an applicant could essentially get dual credit for the residential component of the project but not the commercial.

#### Renaissance zone projects/CORE incentive program projects – double dipping – September 10, 2008

The issue of being able to use both Renaissance Zone & CORE programs for one property was discussed. Mr. Whitman stated that the issue that needs to be decided is whether the Authority will allow the same investment to satisfy the requirements of more than one program. Mr. Whitman continued by saying that one solution would be to allow investment dollars to only satisfy a match requirement one time, regardless of the program.

Chair Blackstead asked if that is using the programs to their fullest extent. Mr. Whitman replied that it is in that if there is enough investment the developer could bleed over into other programs. Mr. Whitman's example was that a developer met the minimum requirements of one program and had match money left over that they didn't have to obligate the developer could use those funds for a different program. If the investment is minimal and the developer struggled to get enough match money to satisfy the program then that is all they should get. Mr. Whitman added that it will be very difficult for staff to track each investment if dual credit is given for the same investment money.

Mr. Whittey added that a Renaissance Zone rehabilitation project wouldn't allow investment money from the CORE Signage grant to be counted toward the 50% requirement for capital improvements on the building. Ms. Vondrachek added that an individual could rehabilitate an exterior building façade and received reimbursements through the CORE Incentive Program and then come back with a new request for signage as long as new money is being invested into the sign and not reusing previous investment dollars that were targeted for the façade restoration. Mr. Whitman added that an additional caveat is that reimbursement funds cannot be used to satisfy any other investment dollars or programs. Ms. Lee noted that one property could be eligible to utilize all of the CORE Incentive Programs as long as each component of the program had new investment dollars tied to the reimbursement requests. Mr. Whitman said that as long as the investment is new money that was not counted toward a previous project, regardless of the program, there should be no concern.

Mr. Walth said that he is still concerned with the CORE Housing Incentive Grant and Renaissance Zone rehabilitation. Mr. Walth said he is not totally convinced where the new money comes into play with that scenario. Ms. Lee provided an example where a 2-story building is rehabilitated using the beginning assessed value of \$120,000. The applicant wants to do a Renaissance Zone rehabilitation project involving new windows, heating, electrical and a new roof. The applicant has proposed to spend \$65,000, which will qualify the property as a Renaissance Zone rehabilitation project. Ms. Lee added that the applicant could also qualify for the CORE Technical Assistance Bank to determine if the property is structurally sound to allow for the proposed rehabilitation, the maximum grant amount for this program is \$1,575 with a matching contribution of 25% by the applicant. The following year the applicant would like to rehabilitate the 2<sup>nd</sup> floor apartments. The applicant would then be eligible for drawing a 20% matching grant from the CORE Housing Incentive Grant by investing an additional \$40,000 in new money to rehab the living spaces. Based on this example, the applicant would be eligible for an \$8,000 reimbursement grant from the CORE Housing Incentive Grant Program; (the maximum grant amount allowed for the Housing Program is \$75,000). Following the rehab of the 2<sup>nd</sup> floor the applicant could also apply for a CORE Façade & Signage Grant to add new signage on the building for the tenant on the first floor. The maximum grant amount for a signage project is a 50% cost share up to \$3,000.

Mr. Keiser offered the scenario where an applicant originally proposed to spend \$65,000 to rehab the building but ended up spending \$85,000. Then the applicant came in the following year to rehab the 2<sup>nd</sup> floor apartments and wanted to be able to get credit for the additional \$20,000 that was expended beyond the minimum requirements from the previous years' project toward the overall investment in rehabilitating the 2<sup>nd</sup> floor apartments the rationale being that he/she could not have rehabilitated the apartments without first rehabilitating the roof over the entire building. Mrs. Lee stated that a situation like that would be hard to approve based on the way the Housing Program is worded since the language is specific to rehabilitating the residential portion of the property rather than being a component of the overall building rehabilitation. Ms. Lee added that the issues relating to qualifying for both a Renaissance Zone project and a CORE project would need to be spelled out at the beginning of the project in order to determine how much money was being spent toward which portion of the project.

Mr. Tomanek asked if there would be a concern if an applicant came in for a Renaissance Zone rehabilitation project where the minimum investment was \$50,000. The applicant would spend the \$50,000 to rehabilitate the first floor of the building. The following year the applicant returns with a proposal to rehab the 2<sup>nd</sup> floor apartments using new investment dollars and a 20% reimbursement grant from the CORE Housing Incentive Grant. Mr. Keiser stated that as long as the investment in the 2<sup>nd</sup> floor apartments is new dollars by the applicant then that type of scenario should be encouraged because it would result in more improvements in the long run. Mr. Keiser added that the two projects could be done simultaneously if the initial investment dollars are clearly separated between the Renaissance Zone rehabilitation and the CORE Housing project prior to project approval.

Mr. Huber stated that the allocation of the costs associated with a rehabilitation project involving commercial and residential components may be difficult to determine and he suggested that a percentage of the building's use for commercial versus the percentage of the building for housing could be a consideration used to determine what the minimum investments would need to be for each project.

Mr. Walth inquired what would happen if an applicant wants to build a new building solely for housing. Mr. Whitman replied that the project would be treated as a new construction project through the Renaissance Zone and the applicant would not be eligible for any reimbursement funds through the CORE Housing Incentive Grant. Mr. Keiser stated that it appears the consensus is to allow an applicant to qualify for a Renaissance Zone project and a CORE project simultaneously as long as the money invested is new dollars and the specific amounts of these dollars is delineated at the beginning of each project.

**MOTION:** A motion was made by Mr. Keiser and seconded by Ms. Vondrachek directing staff to draft a policy based on the discussion regarding the ability of applicants to qualify for a Renaissance Zone project in addition to the ability to qualify for reimbursement grants through the CORE Incentive programs. The motion passed unanimously, with members Blackstead, Huber, Grossman, Keiser, Magstadt, Vondrachek, and Walth voting in favor.

### Renaissance zone project vs. Core project – February 11, 2009

#### 308/310 East Thayer Avenue

This item was withdrawn by the applicant, however, staff would like to discuss the questions raised as they will probably come up again.

Mr. Tomanek said that there is a potential project involving the property at 308/310 East Thayer Avenue and currently there are two buildings (308 – REMI building & 310 – Warren’s Locks and Keys) occupying one 4,125 square foot parcel. Mr. Tomanek stated that recently the owners of Warren’s Locks and Keys, Ken & Melanni Hoff (ADLOC, Inc), had inquired about purchasing and renovating the buildings on the property and they were considering a variety of improvements to each building. Mr. Tomanek continued by saying that traditionally the role of City staff is to provide background information on the Renaissance Zone Program and the CORE Incentive Programs, leaving the ultimate decision of which program is more beneficial up to the applicants. Mr. Tomanek commented that the Hoff’s have provided a series of cost estimates for the proposed improvements to each building, and at this point either the Renaissance Zone or the CORE Program appears to be equally beneficial. However, because the incentives for the Renaissance Zone and the CORE Incentive Programs are so close together, the Hoff’s have posed a series of questions regarding what type of improvements will be allowed under each program, which may impact their decision on how to approach this project:

- Can the roofing materials and labor for the 308 building be counted as part of a CORE Façade Improvement Project?
- Can the painting of all four exterior walls on the 310 building be counted toward a CORE Façade Improvement Project?
- If the building is a Renaissance Zone Purchase with Improvements Project without the 50% reinvestment, does it still qualify as a Rehab Project and exempt a potential tenant from the \$10 per square foot investment as a Lease Project?
- Can the second floor apartment windows be counted toward a CORE Façade Improvement Project or could they be done at a later date as part of a CORE Housing Incentive Project?

- Can the applicants do a CORE Façade Improvement Project now without windows and come back in several years to do the windows with the remaining balance of the \$25,000 maximum façade grant?

Chair Blackstead asked how façade is defined, is it the front of the building or the entire building. Mr. Tomanek responded by saying it depends on which definition is used, some refer to the street side only and some refer to any side visible from the street. Mr. Tomanek said on the east side of this building there is a public alley and all four sides of the house are visible from the public right-of-way. Mr. Tvenge commented that traditional definition of façade is the front door side of the building. Mr. Walth added that it would be a stretch to go to the roof of the building. Ms. Lee said the question regarding the roof was raised because the original TIF Program covered any improvements to the exterior of the building and although it was never explicit that the CORE Façade and Signage Grant Program replaced that program, that program would have allowed TIF to be used for the roof because it was an exterior improvement. Mr. Walth stated that if the TIF Program was intended to be used for roofing projects then the Renaissance Zone Authority should look at the current program to add more incentives because a façade is a façade, not a roof, and the Renaissance Zone Authority should consider other improvements of the original TIF Program. Mr. Whittey suggested that the original TIF Program and the CORE Programs be reviewed and determine if the original program is still available and which one should be used. Mr. Magstadt said he would like to see staff's recommendations on the issues listed with the five bullet points. Ms. Lee said staff will formulate recommendations based on the five bullet points.

#### Renaissance Zone and CORE Incentive Programs Double Dipping Policy – February 11, 2009

Mr. Tomanek provided an updated final copy of a proposed Use of Multiple CORE Incentive Programs Statement of Policy for the Renaissance Zone and gave a brief overview of the policy.

**MOTION:** A motion was made by Mr. Magstadt and seconded by Ms. Vondrachek to recommend approval of the Use of Multiple CORE Incentive Programs Statement of Policy as presented. The motion passed unanimously with members Blackstead, Huber, Magstadt, Grossman, Vondrachek and Walth voting in favor.

#### 400 East Broadway Avenue – Dakota Building Acquisition Corporation – CORE Façade Grant – October 14, 2009

Mr. Tomanek provided an overview of the project for façade improvements for 400 East Broadway Avenue. The applicant is requesting assistance from the CORE Façade and Signage Grant Program. The applicant wishes to request assistance from the CORE Façade and Signage Grant to help cover the costs of re-caulking the perimeter of aluminum windows and doors and re-caulking the sealant at joints in the precast walls panels. The applicant received two bids for this project and has chosen to use Restoration Systems, Inc in the amount of \$41,800, for the project. Dakota Caulking can only bid the project on a 'per linear foot' price and did not provide a maximum amount.

Mr. Tomanek provided an overview of the requests and listed the following findings for the proposed CORE Incentive Program project:

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. Façade and Signage grant funds may be used make improvements to walls, windows, doors, cornices, stairs, porches, railings, and other elements of a building façade. The grant amount is limited to \$25,000 with a 50% match supplied by the applicant. At this time the project bid amount is for \$41,800, which would result in a grant of \$20,900. The bid from Dakota Caulking, Inc. also states that “random hairline cracks are evident in the precast wall panels. These joints are only visible when positioned directly in front of the cracking. These cracks should be routed out and caulked to reduce water infiltration. They can only be bid on a ‘per linear foot’ price. Digital photos will be used to validate repairs. Work can be completed at a rate of \$3.25 per linear foot.” The exact amount of the repair work is undeterminable at this time due to the overall height of the building and the contractor’s inability to adequately assess the deterioration from the street level. The bid provided by Dakota Caulking Inc delineates the east building elevation (adjacent to the alley) from the north, south and west elevations which are adjacent to the streets.
4. Based on discussions with the applicant much of the repairs necessary are on the upper floors of the east, alley-facing exterior wall. The estimates provided do not both clearly delineate which exterior walls will receive repairs or what portion of the overall project cost is attributed to each exterior wall.

Mr. Tomanek said based on findings staff recommends approval of the CORE Façade and Signage grant request which would reimburse the applicant up to \$20,900 toward the façade improvements at 400 East Broadway Avenue.

Paula Baker stated that Dakota Building Acquisition Corporation is a family owned business and the group have owned this building for over twenty-five years. Ms. Baker went on to say that the recent improvements to the parking ramp were completed with Restoration Systems, Inc. and Dakota Building Acquisition Corporation was very satisfied with their work. Ms. Baker said they do have a relationship with Restoration Systems, Inc. and that is why they chose to go with them, plus their work was more complete and they were able to provide a set bid.

Chairman Blackstead asked if there should be a concern with the differences in the bid. Mr. Tomanek responded by saying typically the Renaissance Zone Authority has chosen the low bidder and there has never been a project with a contingency built into it on the back end.

Chairman Blackstead asked what if there is a difference with the reimbursement. Mr. Tomanek answered by saying that if they came back with more linear feet on the back end, then the project cost will increased. Mr. Tomanek added in the past with other projects if the cost was higher than bid, the project was brought back to the Renaissance Zone Authority and Board of City Commissioners for re-approval.

Mr. Keiser asked if the two companies are using the exact same process. Mr. Baker said the two companies are using two different processes and Restoration Systems, Inc. has special tools to

use in the efficient removal of the caulk, whereas Dakota Caulking does not. Mr. Keiser stated that if the processes are different then that needs to be taken into consideration in addition to price.

Mr. Huber said his concern is whether or not this program was meant for this type of project because this is not really a change or improvement of the façade, rather it is maintenance. Chairman Blackstead asked if caulking was a part of the Soo Hotel project. Mr. Tomanek answered by saying the project included tuckpointing, replacing cracked bricks, and crack sealing.

Mr. Tomanek said that it is stated in appendix of the CORE guidelines, “the purpose of the façade and signage incentive grant is to promote and stimulate exterior maintenance of commercial buildings in order to enhance the overall appearance, quality and vitality of downtown.” Mr. Tomanek stated he is unsure of the overall intent of the interpretation of the guidelines. Mr. Huber said that if that was the intent of the program that is fine, but is not sure this project was the intent of the program because it is considered maintenance. Mr. Tomanek commented that there have been several discussions regarding these programs to resolve issues with definitions and interpretations of the program; however, everything has not been clearly defined at this point.

Mr. Keiser commented that if the caulking was a part of a larger project to improve the façade, then it would not be an issue. Mr. Huber agreed.

Mr. Keiser asked Ms. Baker what the time frame is for this project. Ms. Baker responded by saying they were hoping to get approval as soon as possible in order to complete the project before the temperatures get too cold because part of what they are experiencing is moisture seeping through. Ms. Baker added that they just put a large amount of money into fixing the ramp and the cost of the caulking is another large amount.

Mr. Whittey asked what sides of the building are being considered. Mr. Tomanek said the bid delineates the west, south, east and a good portion of the work needs to be completed on the east side and that is the alley facing side. Mr. Tomanek added that the third, fourth and fifth floors are the ones experiencing the infiltration of moisture. Mr. Whittey commented that to be consistent with what the Renaissance Zone Authority has approved in the past, only the street facing sides should be considered which would be the north, west and south sides, or primary street sides, of the building.

**MOTION:** A motion was made by Mr. Huber and seconded by Mr. Keiser to continue the public hearing for the request of the Façade and Signage Grant for façade work for 400 East Broadway Avenue requested by Dakota Building Acquisition Corporation and schedule a special meeting to further discuss the intent of the program and this request. The motion passed unanimously, with members Blackstead, Huber, Keiser and Magstadt voting in favor.

RENAISSANCE ZONE AUTHORITY  
PROJECT STATUS

Project	Applicant	Street Address	Project Type	RZA Hearing	Commission Approval	State Approval	Beginning Building Market Value	Proposed Investment	Estimated Value With Investment	Estimated Property Tax Benefit	Estimated State Income Tax Benefit	Completion Date	Actual Investment	2009 Building Market Value	Jobs Created/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	\$5,950	12/01/03	\$66,307	\$169,800	0
02-B	Dakota Building Partnership	501 East Main Avenue	Purchase - Lind	01/08/03	01/07/03	02/26/03	\$444,200	\$300,000	\$540,000	\$32,023	\$7,500	01/31/07	\$284,195	\$683,500	0
03-B	Civic Square Development LLC	521 East Main Avenue	Purchase w/Major	02/07/03	02/11/03	04/21/03	\$500	\$600,000	\$500,000	\$81,000	\$2,500	12/31/07	\$618,111	\$1,026,400	0
04-B	Duemeland Commercial LLP	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 Schindler	208 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-Restoration	10/30/03	11/15/03	11/21/03	\$49,000	\$125,000	\$120,000	\$15,500	\$25,000	01/26/05	\$128,333	\$123,900	1
07-B	Bartsch Properties LLC	207 East Front Avenue	Rehab	11/19/03	11/26/03	12/03/03	\$371,200	\$601,800	\$1,455,000	\$189,375	\$8,200	01/19/05	\$734,707	\$2,873,100	0
08-B	Norland Financial	207 East Front Avenue	Lease	11/19/03	11/26/03	12/03/03	N/A	N/A	N/A	N/A	\$116,000	08/19/04	N/A	N/A	14.25
09-B	Bartsch Properties LLC	218 South 3rd Street	Rehab	11/18/03	11/25/03	12/03/03	\$142,300	\$326,150	\$940,000	\$107,600	\$3,000	01/20/05	\$376,013	\$699,800	20
10-B	Leo Enterprises Inc.	707 East Front Avenue	Rehab	12/15/03	12/18/03	12/29/03	\$2,509,200	\$2,250,824	\$4,408,200	\$550,000	\$1,248,000	10/26/05	\$2,400,778	\$4,891,400	7.5
11-B	FJCM Partners, LLP	801/807 East Front Avenue	Rehab	03/03/04	03/23/04	03/29/04	\$151,300	\$269,840	\$420,000	\$52,785	\$2,700	09/30/05	\$409,846	\$535,400	3
12-B	Mark Gartner	302 East Thayer Avenue	Rehab	05/25/04	05/25/04	06/04/04	\$48,800	\$85,000	\$125,000	\$15,715	\$4,700	12/08/05	\$103,455	\$139,200	2.5
13-B	AW Enterprises	218 North 2nd Street	Rehab	08/10/04	08/10/04	08/18/04	\$173,500	\$208,814	\$275,000	\$34,573	\$12,500	08/22/05	\$293,473	\$318,500	1
14-B	Deryl Roseman & Clarence Saylor	225 West Broadway Avenue	Purchase	02/07/05	02/08/05	02/18/05	\$179,000	\$89,550	\$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	02/18/05	\$500,000	\$750,000	\$900,000	\$113,500	\$15,000	08/15/08	\$666,386	\$720,800	6
16-B	Proque Grill, 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	09/24/05	N/A	N/A	8
17-B	Zonella Jewelry Inc.	221 South 8th Street	New Construction	06/20/04	03/08/05	03/22/05	\$20,100	\$200,000	\$200,000	\$25,000	\$4,000	07/30/05	\$181,868	\$203,400	8
18-B	Brent & Ed Strub-Petela & More	122 East Rosser Avenue	Rehab	08/25/05	08/13/05	09/21/05	\$120,300	\$64,875	\$130,000	\$16,900	\$5,800				
18-B	CCC Properties, LLP	310 South 5th Street	Purchase	08/25/05	08/13/05	09/21/05	\$410,000	\$168,000	\$450,000	\$56,500	\$10,500	07/01/09	\$298,372	\$484,800	0
20-B	Bank Center First	329 North 4th Street	Rehab	09/21/05	09/27/05	10/04/05	\$809,500	\$1,100,000	\$2,000,000	\$258,780	\$250,000	08/01/09	\$2,301,478	N/A	
21-B	Frost Gate Associates PC	310 South 5th Street	Lease	01/12/06	01/24/06	02/03/06	N/A	N/A	N/A	N/A	\$1,000	04/01/06	N/A	N/A	3.5
22-B	Dejnye, Inc. (Balk & Rollet)	310 South 5th Street	Lease	01/12/06	01/24/06	02/03/06	N/A	N/A	N/A	N/A	\$10,500	03/13/08	N/A	N/A	12
23-B	Duemeland Properties, LLP	302 South 3rd Street	Purchase	01/12/06	02/14/06	02/18/06	\$160,800	\$345,000	\$345,000	\$44,840	\$4,500	12/01/08	\$227,285	\$168,800	0
24-B	Duemeland Properties, LLP	312 South 3rd Street	New Construction	01/12/06	02/14/06	02/18/06	N/A	\$215,223	\$250,000	\$32,500	\$4,100	12/01/08	\$233,855	\$383,700	0
25-B	Makochi Media, LLC	208 North 4th Street	Purchase	01/12/06	02/14/06	02/18/06	\$247,000	\$71,812	\$320,000	\$41,800	\$1,000	12/27/07	\$81,872	\$274,900	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	12/04/08	N/A	N/A	21
27-B	Gem Group LLC	412 East Main Avenue	Rehab	05/23/06	05/23/06	05/20/06	\$47,800	\$40,000	\$75,000	\$5,980	\$6,500	10/26/08	\$30,282	\$70,300	0
28-B	Heartland Mortgage Company	412 East Main Avenue	Lease	05/23/06	05/23/06	05/20/06	N/A	N/A	N/A	N/A	\$10,500	07/01/08	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	09/14/08	N/A	N/A	6
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	\$2,148,500	
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 Leitham Health LLC	521 East Main Avenue	Lease	05/14/07	05/22/07	06/08/07	N/A	N/A	N/A	N/A	\$60,000	07/01/07	N/A	N/A	8
35-B	Reimann Consulting LLC	521 East Main Avenue	Lease	05/14/07	05/22/07	06/08/07	N/A	N/A	N/A	N/A	\$12,500	07/01/07	N/A	N/A	2
36-B	Jason Kirchmeyer & 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	06/01/07	N/A	N/A	1



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	Facade & Signage Incentive	Housing Incentive	Total Payments To Date
01-07	Red Wing Shoes	529 East Broadway Avenue	Signage	05/14/07	05/22/07	\$6,199.34	\$3,000.00	11/19/07			\$3,000.00		\$3,000.00
02-07	LeRoy Walker	118 North 4th 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 4th 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 Plinks	207 East Avenue B	Housing Incentive	07/17/07	08/14/07	\$23,674.00	\$5,000.00	01/29/08				\$4,439.60	\$4,439.60
			Technical Assistance	07/17/07	08/14/07	\$2,100.00	\$1,575.00	02/28/09		\$1,055.92			\$1,055.92
			Housing Incentive	03/11/09	03/24/09	\$90,487.14	\$13,657.83					\$13,657.83	\$13,657.83
05-07	Kevin Horneman	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 Horneman	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	Facade	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	Facade	08/27/07	09/11/07	\$25,000.00	\$12,500.00	06/17/08			\$10,832.14		\$10,832.14
11-07	Kevin Horneman	408 East Main Avenue	Facade	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	Facade	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	118 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	Turtlio's Dry Cleaners	1131 East Main Avenue	Facade	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	08/23/08	07/08/08	\$10,415.00	\$3,000.00	01/30/09			\$3,000.00		\$3,000.00
18-08	Rainmaker Gusto Ventures, LLC	118 North 5th Street	Technical Assistance	08/23/08	07/22/09		\$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	Facade	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	AC/ND Bankers Association	122 East Main Avenue	Signage	11/12/08	11/25/08		\$3,000.00						
25-08	Magl-Touch Carpet & Furniture Inc.	800 East Sweet Avenue	Technical Assistance	02/11/09	02/24/09	\$4,200.00	\$1,575.00	08/22/09					\$1,575.00
26-08	Gossel Enterprises/Taco John's	320 South 3rd Street	Facade	02/11/09	03/24/09	\$51,923.53	\$25,000.00	08/20/09			\$3,000.00		\$3,000.00
27-08	Gossel 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
28-08	Rolf Eggers	214 & 216 East Main Avenue	Facade	02/11/09	03/24/09	\$7,150.00	\$3,575.00	06/16/09			\$7,150.00		\$7,150.00

