

**RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
May 11, 2011**

The Bismarck Renaissance Zone Authority met on May 11, 2011 in the 2nd Floor Conference Room in the City-County Office Building at 221 North 5th Street.

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

Authority member Kevin Magstadt was absent.

Technical Advisor Jeff Ubl was present.

Staff members present were Jason Tomanek, Kimberley Gaffrey, Kim Lee, Bob Aller, Charlie Whitman and Bill Wocken.

Guests present were Josh Ternes – 501 East Avenue F, Jennifer Davis – 3909 Kingston Drive, Loran Galpin – 501 East Main Avenue and Dawn Kopp (Downtowners).

CALL TO ORDER

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

MINUTES

The minutes of the April 13, 2011 meeting were distributed with the agenda packet.

MOTION: A motion was made by Ms. Smith and seconded by Mr. Huber to approve the minutes of the April 13, 2011 meeting as received. The motion passed unanimously with members Blackstead, Huber, Smith and Walth voting in favor.

Authority Member George Keiser arrived at the meeting.

RENAISSANCE ZONE PROJECT APPLICATIONS

A. 522 North 5th Street – Jennifer Davis/Sheridan House Bed and Breakfast – Purchase with Improvements

Mr. Tomanek gave an overview of the purchase with improvements project by Jennifer Davis/Sheridan House Bed and Breakfast for the house at 522 North 5th Street. He said the applicant is proposing to purchase and rehabilitate the building at 522 North 5th Street as a single-family dwelling and a bed and breakfast establishment. The project would completely renovate the existing 7-room apartment into five bedroom suites with private baths. Mr. Tomanek continued by saying the renovation would include both interior and exterior improvements; in particular asbestos and mold abatement would be necessary and updates to the plumbing and electrical systems are planned. He added that the exterior improvements include an expanded front porch, lighting, removal of the existing single-stall garage to provide off-street

parking, installation of a new deck to the west side of the home, a complete exterior paint job, and roof improvements including new shingles. He mentioned that the building has been vacant for many years. Mr. Tomanek concluded by saying the floor area of the house is 2,629 square feet. The estimated property tax exemption of \$5,170 over five years and the estimated state income tax exemption would be \$42,050 over five years. The total project investment is approximately \$300,000 and the estimated value with the investment is \$225,000 – \$250,000.

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

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.
2. The proposed exterior rehabilitation would be sufficient to eliminate any and all deteriorated conditions on the exterior of the building.
3. Using the 2010 assessed value of the building (\$41,400) and the proposed investment (\$300,000), the level of re-investment is approximately 700 percent. The minimum level of investment for rehabilitation projects is 50 percent of the assessed building value made through capital improvements. The proposed investment would be equivalent to a per square foot cost of \$114.11.
4. The applicant anticipates that the staged rehabilitation of the building would be complete by January 2012.
5. The proposed project was reviewed by the Downtown Design Review Committee on May 3, 2011 for compliance with the DF-Downtown Fringe zoning regulations. The Committee approved the proposed rehabilitation project noting that the project would fulfill the requirements of the zoning district by reflecting the original architectural style of the building and by having materials and colors that would be compatible with or complementary to those used on adjoining parcels.

Mr. Tomanek then provided the following additional information:

1. This building lies on a non-conforming parcel. In particular; the minimum lot size for any parcel in the DF-Downtown Fringe District created prior to 1953 is 5,000 square feet, the current parcel size is only 4,925 square feet. The following is an excerpt from The City Code of Ordinances Section 14-03-09 (c) (Non-conforming Uses): "Additions, repair, alteration. No building used for a nonconforming use shall be enlarged, extended, reconstructed, or structurally altered, unless the use is changed to one which complies with the provisions of this title. Provided, however, permits may be issued for the reconstruction of an existing building to be continued as a nonconforming use if the following conditions are complied with:
 - a. New use would decrease the number of living units or population density in case such is violated.
 - b. New use would decrease the automobile parking congestion in the area.
 - c. New use would not increase the cubical contents of the structure if such would violate provisions of this ordinance.
 - d. Such reconstruction would be one in accordance with the city building, plumbing, electrical codes and fire prevention code.

- e. The issuance of such permit would not violate the provisions of paragraph 4 of this section. In addition, repairs and maintenance work may be carried out each year in an amount not to exceed twenty-five percent of the assessed value of the building for that year. Such repairs and maintenance work shall not increase the cubical content of the building, nor the floor area devoted to the nonconforming use. Nor shall it increase the number of dwelling units provided in a building. Nothing in this article shall be deemed to prevent the strengthening or repair of a building which may be necessary to restore the building to a safe condition or to improve the sanitary conditions of the building, provided that such strengthening and repair may not be used to restore a building to the provisions of paragraph 4 of this section.”

The Board of Adjustment handles matters of this nature and has the ability to grant variances from the ordinance regulations if the owner/applicant can justify a hardship that would otherwise prevent the project from being completed in an appropriate manner.

Mr. Tomanek said based on the above findings, staff recommends approval of the designation of the purchase with major improvements to the building at 522 North 5th Street by Jennifer I. Davis/Sheridan House Bed and Breakfast as a Renaissance Zone project, a 100% property tax exemption on the building and improvements for five years beginning with the date of completion, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion with the following conditions:

1. The project generally conforms to the project description, site plan and conceptual images submitted with the application.
2. All the necessary building and other required permits are obtained prior to commencement of the project.

Ms. Davis said that this property is located in a great location, it can be a beautiful building and she is looking forward to it.

Mr. Ternes, the current owner of the property, stated that structurally, the house is in very good condition. There are not any sagging floors or walls and the foundation walls are 2.5 foot thick granite. He added that no inspection of the property was completed when he purchased it.

Mr. Walth inquired whether or not a property inspection has been completed. Ms. Davis responded by saying no. Mr. Walth then asked if that is a condition of the purchase. Ms. Davis said she will only get an inspection if it required by the bank.

Mr. Tomanek commented that there will be inspections completed by the City in conjunction with the permits that will be obtained.

Mr. Walth stated that he is concerned with the structural integrity of the building, knowing how long it has been vacant.

Mr. Huber said that a structural engineer would be the appropriate person to inspect the building, rather than a property inspector.

Mr. Walth asked about the plans for the exterior of the building. Ms. Davis said the entire outside of the house will be repaired, sanded and painted. The porch will be removed and redone. Ms. Davis added that they want to keep it as historical looking as possible.

Mr. Walth questioned the condition of the windows and if they will be replaced. Ms. Davis responded by saying that most of the windows are operational and the original pulleys and weights. Those will be refinished as well and the others will be replaced.

Mr. Keiser said that his only concern is with code issues and enforcement and that there should be some obligation to have City inspectors go through the house to insure there are not critical issues being overlooked, in particular the sewer and plumbing.

Mr. Walth indicated that exterior improvements must be taken care of, specifically the siding, windows and the porch.

Ms. Davis said that not only does the exterior have to meet code, in this line of business, the outside appearance must be pristine, as well as the inside.

There was a brief discussion regarding landscaping.

MOTION: Based on the findings included in the staff report, a motion was made by Ms. Smith and seconded by Mr. Keiser to recommend approval of the request for designation of the purchase with major improvements to the building at 522 North 5th Street by Jennifer I. Davis/Sheridan House Bed and Breakfast as a Renaissance Zone project, a 100% property tax exemption on the building and improvements for five years beginning with the date of completion, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion with the following conditions: 1) The project generally conforms to the project description, site plan and conceptual images submitted with the application; 2) All the necessary building and other required permits are obtained prior to commencement of the project and 3) All the required landscaping and street trees be included with the project. The motion passed unanimously with members Blackstead, Huber, Keiser, Smith and Walth voting in favor.

RENAISSANCE ZONE DEVELOPMENT PLAN MODIFICATION DISCUSSION

Mr. Tomanek said that there are elements within the Renaissance Zone Development Plan that require the input of the Renaissance Zone Authority. In particular, a portion of the Plan must recognize potential projects within the Renaissance Zone. A list of potential projects was identified with the original Plan, this list appears within draft version of the updated Plan. He went on to say that staff is seeking the input of the Authority members regarding the updated list of potential projects. The list can include existing or vacant property currently located within the Zone. Additionally, any of the projects identified from the original Plan can be carried over to the updated Plan. Mr. Tomanek ended by saying to please consider properties to include in the updated list of potential projects to help facilitate discussion and suggestions for the meeting on June 8, 2011.

There was some discussion regarding the Plan that will be discussed in further detail at the June 8, 2011 meeting.

STATUS OF APPROVED RENAISSANCE ZONE PROJECTS

Mr. Tomanek said that there are only a few Renaissance Zone projects that are currently open.

STATUS OF APPROVED CORE INCENTIVE PROJECTS

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

OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business, Chair Blackstead adjourned the meeting of the Bismarck Renaissance Zone Authority at 5:03 p.m.

Respectfully Submitted,

Kimberley Gaffrey
Recording Secretary

David Blackstead
Chair