

**RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
April 17, 2012**

The Bismarck Renaissance Zone Authority met on April 17, 2012 in the 2nd Floor Conference Room in the City-County Office Building at 221 North 5th Street.

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

Authority member Kevin Magstadt was absent.

Technical advisor Jeff Ubl and Bruce Whittey were present.

Staff members present were Jason Tomanek, Kimberley Gaffrey, Carl Hokenstad, Charlie Whitman and Brenda Johnson.

Guests present were Roger Zink – 109 North 4th Street, Loran Galpin (Galpin Companies) and Kate Herzog & Dawn Kopp (Downtowners).

CALL TO ORDER

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

MINUTES

The minutes of the March 20, 2012 meeting was distributed with the agenda packet.

MOTION: A motion was made by Mr. Walth and seconded by Mr. Keiser to approve the minutes of the March 20, 2012 meetings as received. The motion passed unanimously with members Blackstead, Christianson, Keiser, Smith and Walth voting in favor.

Authority member Chuck Huber arrived at the meeting at 4:03

RENAISSANCE ZONE PROJECT APPLICATIONS

A. 402 East Main Avenue – Roger Zink/Capital Holdings, LLC – Rehabilitation

Mr. Tomanek gave an overview of the rehabilitation project by Roger Zink/Capital Holdings, LLC for the building at 402 East Main Avenue. He said the applicant is proposing to remodel vacant portions of the first and second floors of the building to accommodate build-to-suit options for future tenants. Improvements include updates to the HVAC, plumbing, electrical system, new flooring, replacement of a portion of the windows, and minor roof and exterior repairs. Mr. Tomanek concluded by saying the estimated property tax exemption would be \$50,000 over five years and the estimated state income tax exemption would be \$2,500 over five

years. The total project investment is approximately \$160,000+ and the estimated value with the investment is \$500,000 (Assessing Division estimate).

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

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.
2. The proposed exterior rehabilitation is sufficient to eliminate any and all deteriorated conditions on the exterior of the building.
3. The applicant has indicated that \$160,000+ would be expended to renovate approximately 7,300 square feet of vacant space on the first floor and approximately 4,000 square feet on the second floor. The proposed capital investment of \$160,000+ for the building calculates to \$14.16 per square foot for the rehabilitated portions. The proposed capital re-investment is approximately 50 percent of the City's assessed value for the building.

Mr. Tomanek said based on the above findings, staff recommends approval of the rehabilitation project at 402 East Main Avenue by Capital Holdings, LLC as a Renaissance Zone project, a 100% property tax exemption on the building and improvements for five years beginning with the date of completion, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion.

There was a brief discussion amongst the Renaissance Zone Authority members and the applicants on the building itself and landscaping requirements.

Mr. Walth expressed concern with the lack of clarity in the applicant's proposal. Mr. Walth continued by stating that very little work is proposed for the exterior of the building and questioned whether a determination has been made regarding the need for exterior improvements.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Walth and seconded by Mr. Keiser to continue the public hearing until such time as Mr. Zink has provided definitive cost estimates, a clear plan for the rehabilitation and a determination on the exterior improvements to the building. The motion passed unanimously with members Blackstead, Christianson, Huber, Keiser, Smith and Walth voting in favor.

STATUS OF APPROVED RENAISSANCE ZONE PROJECTS

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

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 4:52 p.m.

Respectfully Submitted,

Kimberley Gaffrey
Recording Secretary

David Blackstead
Chair