

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

The Bismarck Renaissance Zone Authority met on July 20, 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, George Keiser, Kevin Magstadt, Brenda Smith and Curt Walth.

Authority member Chuck Huber was absent.

Technical advisor Jeff Ubl was present.

Technical advisor Bruce Whittey was absent.

Staff members present were Jason Tomanek, Kimberley Tomanek, Jenny Wollmuth and Brenda Johnson.

Guests present were Jon Lee (Bread Poets Baking Company, LLC) and Kate Herzog (Downtowners).

CALL TO ORDER

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

RENAISSANCE ZONE PROJECT APPLICATIONS

A. 106 East Thayer Avenue – Kenneth Clark and Dave Clark – Rehabilitation

Mr. Tomanek gave an overview of the rehabilitation project by Kenneth Clark and Dave Clark. The applicants are proposing to add on to the building by constructing a 25'x40', 1,000 square foot addition to the east. Other improvements include an updated HVAC system, a new sewer line and awnings to match or complement the existing awnings on the Bread Poets storefront.

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 would be sufficient to eliminate any and all deteriorated conditions on the exterior of the building. The proposed building addition would satisfy the intent of the DF-Downtown Fringe zoning district regulations, which state that setbacks for new buildings should be similar to those on adjoining properties.
3. Using the 2011 assessed value of the buildings (\$117, 800) and the proposed investment of \$89,000, the level of re-investment is approximately 75 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 \$37.49 based on a building footprint of 2,374 square feet.

4. The applicant anticipates that the exterior rehabilitation and construction of the addition would be complete by November 2012.
5. The Downtown Design Review Committee reviewed the proposed project on June 21, 2012 for compliance with the DF-Downtown Fringe zoning regulations. The initial Committee review noted that the original proposal to add a 19'x52' building to the east did not meet the intent of the DF-Downtown Fringe zoning district. Additionally, the Committee had concerns with the proposed exterior building material, HardiePlank. The Committee worked with the applicants to amend the initial proposal with building materials that would be similar to the existing materials. The Committee believes the proposed building addition project would fulfill the requirements of the zoning district by maintaining the original architectural style of the building, by mimicking the existing storefront, roofline and with complementary colors and materials.

Mr. Tomanek stated that there is a concern with the proposed location of the gas meter that would be installed with the expansion project. He indicated that, according to MDU, the gas meter would need to be installed on the south-facing façade of the building due to the lack of public alleys and easements on this block.

Mr. Christianson inquired if there was any consideration by the owners to add a second story to the building to match the existing building to the west. Mr. Lee indicated the second story was considered.

Mr. Walth expressed concerns with the fact that very little improvements are proposed for the existing building and the per square foot investment in the overall project. Mr. Tomanek provided the current per square foot investment policy that is in place; in particular, new construction costs must equal or exceed \$75.00/SF and \$20.00/SF for lease projects.

Mr. Lee stated that the roof was updated in 1994, the electrical and plumbing services have been recently updated as well.

Mr. Tomanek said that based on the above findings, staff recommends approval of the designation of the rehabilitation and expansion of the building at 106 East Thayer Avenue by Kenneth Clark and Dave Clark as a Renaissance Zone project, a 100% property tax exemption on the building and improvements for five years beginning with the date of completion, and an exemption from state tax on income derived from the business/ investment location for five years beginning with the date of completion with the following conditions:

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

3. A final determination is made by the City Forester to determine if street trees can be installed within the right-of-way along the north side of Thayer Avenue.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Christianson and seconded by Mr. Keiser to recommend approval the designation of the rehabilitation of space in the building at 106 East Thayer Avenue as Renaissance Zone project, and a 100% property tax exemption and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of occupancy. The motion passed unanimously with members Blackstead, Christianson, Keiser, Magstadt, Smith and Walth voting in favor.

B. 106 East Thayer Avenue – Bread Poets Baking Company, LLC – Lease

Mr. Tomanek gave an overview of the lease project. The applicant is proposing to lease an additional 1,000 square feet of space in the building addition area proposed by the owners. The applicant will be expanding the production area for their bread products. The 5-year business income tax exemption is estimated at \$12,400.

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 lease will be for an existing business located within the Renaissance Zone that will be physically expanding is lease space.
3. The applicant would be occupying space in building that has requested Renaissance Zone project status where the owners will be making a significant financial investment through capital improvements; therefore, no applicant investment is required. However, the applicant will be making a financial investment in the property directly related to the expansion of the leased space.
4. The project completion date is projected for November 2012.

Mr. Walth inquired about the size of the proposed windows with the building addition. Mr. Tomanek replied that the property lies within the DF-Downtown Fringe zoning district and the requirement for windows to be more than 50% of the first floor façade is not applicable; he indicated this regulation only applies to property within the DC-Downtown Core zoning district.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Keiser and seconded by Mr. Magstad to recommend approval the designation of the lease of space in the building at 106 East Thayer Avenue as Renaissance Zone project, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of occupancy. The motion passed unanimously with members Blackstead, Christianson, Keiser, Magstadt, Smith and Walth voting in favor.

STATUS OF APPROVED RENAISSANCE ZONE PROJECTS

Mr. Tomanek mentioned that J2 Studio Architecture + Design has moved from their office in the Civic Square building at 521 East Main Avenue to a property at 405 East Sweet Avenue. Mr. Tomanek added that J2 has abandoned their Renaissance Zone project designation. Mr. Tomanek also mentioned the ownership of Fiesta Villa will be changing, the new owners would be eligible for the balance of the 5-year business income tax exemption.

OTHER BUSINESS

Mr. Tomanek mentioned that he is hoping to update and expand the current Renaissance Zone application checklist to attempt to address inadequate project applications. Mr. Walth asked that the updated application be emailed to the Authority members once Carl Hokenstad and Kim Lee have had an opportunity to review the documents.

ADJOURNMENT

There being no further business, Chair Blackstead adjourned the meeting of the Bismarck Renaissance Zone Authority at 4:35 p.m.

Respectfully Submitted,

Jason Tomanek
Recording Secretary

David Blackstead
Chair