

**RENAISSANCE ZONE AUTHORITY  
MEETING MINUTES  
January 19, 2016**

The Bismarck Renaissance Zone Authority met on January 19, 2016 in the David J. Blackstead Meeting Room in the City-County Office Building at 221 North 5<sup>th</sup> Street. Chairman Walth presided.

Authority members present were Josh Askvig, Jim Christianson, George Keiser, Jeff Ubl, and Curt Walth.

Authority members absent were Chuck Huber and Todd Van Orman.

Technical Advisors Bruce Whittey and Steph Smith were present.

Staff members present were Jason Tomanek (Senior Planner), Brenda Johnson (Real Property Appraiser), Sandra Bogaczyk (Community Development Office Assistant), Charlie Whitman (City Attorney), and Will Hutchings (Transportation Planner).

Guests present were Kate Herzog , Renae Doan, Rolf Eggers, Paul Breiner, Tobias Marman, and Russ Kadlec.

**CALL TO ORDER**

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

**ELECTION OF OFFICERS**

Chairman Walth called for an election of officers. Mr. Keiser nominated Curt Walth as Chairman and Mr. Askvig seconded. Mr. Tomanek clarified that the election of officers is done at the first meeting of each year with a one-year term of office. The motion passed unanimously in a voice vote. Chuck Huber was nominated by Mr. Keiser to be Vice-Chairperson and the nomination was seconded by Mr. Ubl. The motion passed unanimously in a voice vote.

**MINUTES**

The minutes of the December 15, 2015 meeting were distributed with the agenda packet.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Christianson to approve the minutes of the December 15, 2015 meeting as received. The motion passed unanimously with members Askvig, Christianson, Keiser, Ubl and Walth voting in favor.

## **DOWNTOWN DESIGN REVIEW – *Project Modification***

### **307/309 NORTH 3<sup>RD</sup> STREET – THE DISTRICT**

Mr. Tomanek mentioned that during interior demolition, the general contractor discovered an unused stairwell that could provide access to the roof of the building. The owner has indicated a desire to incorporate a rooftop patio as part of the proposed exterior modifications. In particular, the previously approved metal panel system intended for a portion of the north exterior wall has been eliminated and replaced with a smooth-finish fiber cement panel system that would be painted purple to match the previously-approved purple element intended for the west-facing building façade. In addition, a modification has been proposed for some of the materials selected for the exterior of the building. As a condition of the approval, the owner has requested the Downtown Design Review Committee to reconsider the project with the proposed changes as described.

Mr. Askvig voiced concern about the noise absorption of the new materials. Mr. Marman thought that it should not be any different than what is currently on the building.

Mr. Marman stated that a screen to block the rooftop mechanical equipment from view has yet to be finalized, but they understand it is required. The deck will be raised about a foot above the image produced.

Ms. Smith asked what is enclosed in the northwest corner of the rooftop. Mr. Marman explained that a garage-rollup door for storage is planned for this area.

Chairman Walth asked what is the code for screening mechanical equipment. Mr. Tomanek stated that it should be screened to hide from the view of mechanical equipment from the street.

Chairman Walth asked what the occupancy could be on the deck. Mr. Marman stated that 49 people could occupy the rooftop area based on load restrictions. Mr. Marman then stated that there also needs to be a separate stairwell for a two hour separation with sprinklers and door openings must have two-hour fire separation.

Mr. Keiser stated concern with the size of the wall and it being too solid of a mass without being broken up with a design, which would eliminate the massive look and feel of the wall from a pedestrian and streetscape perspective.

It was noted by Technical Advisor Whittey that the new fiber cement panel element would only occupy approximately one-third of the north-facing exterior wall.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Jim Christianson to approve the modification request for the Downtown Design Review application for the building at 307/309 North 3<sup>rd</sup> Street, The District, with the condition

that any further modifications to the design or approved concept must be reconsidered by the Downtown Design Review Committee prior to implementation. The motion passed unanimously with members Askvig, Christianson, Keiser, Ubl and Walth voting in favor.

## **CORE INCENTIVE PROGRAM PROJECTS**

### **710 EAST BOWEN AVENUE – TRIPLE J PROPERTIES, LLC**

Mr. Tomanek presented the request of Triple J Properties, LLC for assistance from the CORE Technical Assistance Bank grant program for the building at 710 East Bowen Avenue to secure architectural and engineering services to update the existing south-facing façade on a four-tenant commercial building. The property is owned by Triple J Properties, LLC and is legally described as the East 130 feet of Lot 7, all of Lots 8-12 and the East half of the vacated alley adjacent, Block 73, Original Plat.

1. The building is located within the Downtown Tax Increment Financing District.
2. Technical Assistance Bank grant funds may be used to secure professional architectural and engineering services to assist with feasibility studies, the preliminary review and design assistance, renovation vs. restoration opinions, renovation for reuse studies, site selection assistance, preliminary cost estimates, code analysis, landscape improvements and graphic design. The grant amount for an architect is limited to 30 hours of work with a rate of \$110.00 per hour, and a total dollar amount not to exceed \$3,300. Applicants will be responsible for a 25% matching contribution; the total grant amount for architectural services shall not exceed \$2,475. At this time the finite dollar amount has not been established due to the fact that design work will not commence until the final approval from the Board of City Commissioners has been received.

Action on this request was continued at the last meeting due to a lack of information regarding building enhancement versus building maintenance status. The owners are requesting an architectural grant for up to \$2,475 and for engineering services grant not to exceed \$5,775.

Ms. Renae Doan stated that their goal is to make their building an asset to Bismarck. She would like an architect to look at windows and doors, the roof line and water drainage to invest in better efficiencies for tenants and building aesthetics for a more approachable street view and curb appeal. They have already invested over \$100,000 in maintenance efforts and do not want to just repair inefficiencies but rather improve the appearance of the building.

Ms. Johnson from City Assessing noted that regarding the assessment value, windows, doors and retaining walls are generally considered maintenance and do not add to the assessed value of a building.

Mr. Keiser asked what improvements would qualify.

Mr. Tomanek deferred to Ms. Johnson's comments and added that the intention of the grant program is to assist in adding value to the building. Historically, the requests for maintenance were rejected. Mr. Tomanek went on to say the matter seems to lie in the question of whether the building has a different look to enhance curb appeal. The intention of the Technical Assistance grant is to allow for professional design to change the look of the building. This quality may or may not increase the assessed value of the building but it is still within the guidelines of the grant's intent.

Ms. Doan reiterated that they intend to change the look of the building.

Mr. Askvig asked the difference between this request and the application for the building at 114 North 3<sup>rd</sup> Street regarding repairs for structural integrity, and does the Authority have the written guidelines for the Technical Assistance grant. Mr. Tomanek stated that the application for 114 North 3<sup>rd</sup> Street was approved because the applicant was proposing significant modification to the ground floor of the façade that included removing elements that were not historically accurate and also incorporating new elements such as a bi-fold door system to allow outdoor seating.

Mr. Christianson asked if other tenants will benefit or be charged differently when the construction is completed. Ms. Doan stated that depending on cost, perhaps, but not necessarily will rent be increased. Ms. Doan also stated that rental space would definitely be more competitive if the building were more welcoming.

**MOTION:** A motion to recommend approval of a CORE Technical Assistance Bank grant for architectural assistance only was made by Mr. Christianson and seconded by Mr. Keiser for the building at 710 East Bowen Avenue. The motion passed unanimously with members Askvig, Christianson, Keiser, Ubl and Walth voting in favor.

## **214 EAST MAIN AVENUE – VOLD TIRE COMPANY, LLC**

Mr. Tomanek stated that Vold Tire Company, LLC has requested assistance from the CORE Technical Assistance Bank grant program for the building at 214 East Main Avenue to secure architectural and engineering services to design a new façade that would include removing the aluminum awning, highlighting the original brick façade, exposing the transom windows, implementing energy efficient doors and consider improvements to the east-facing exterior wall. The property is owned by Vold Tire Company, LLC and is legally described as Lots 10-11, Block 52, Original Plat.

Mr. Tomanek stated in 2009 the applicant received a CORE Façade Incentive Grant totaling \$3,575, which resulted from the installation of new windows and doors on the south-facing façade.

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

2. Technical Assistance Bank grant funds may be used to secure professional architectural and engineering services to assist with feasibility studies, the preliminary review and design assistance, renovation vs. restoration opinions, renovation for reuse studies, site selection assistance, preliminary cost estimates, code analysis, landscape improvements and graphic design. The grant amount for an architect is limited to 30 hours of work with a rate of \$110.00 per hour, and a total dollar amount not to exceed \$3,300. The grant amount for engineering services is limited to 70 hours of work with a rate of \$110.00 per hour, and a total dollar amount not to exceed \$5,775. Applicants will be responsible for a 25% matching contribution; the total grant amount for architectural services shall not exceed \$2,475 and the total dollar amount for engineering services shall not exceed \$5,775. At this time the finite dollar amount has not been established due to the fact that design work will not commence until the final approval from the Board of City Commissioners has been received.

Chairman Walth questioned how much Façade Incentive Grant assistance is still available given previous funding. Mr. Tomanek stated that the previous amount would be deducted from the total available amount of \$30,000. He continued by saying there was no previous Technical Assistance application.

Ms. Smith asked if a new tenant is moving into the space. Mr. Eggers responded that a boutique retail store is going into the east vacant space. Mr. Eggers added that the main goal is to restore the brick.

Chairman Walth opened the public hearing. No public comment was received.

There were no additional comments by the Authority members.

**MOTION:** A motion was made by Mr. Christianson and seconded by Mr. Askvig to recommend approval of a CORE Technical Assistance Bank grant for both architectural and engineering assistance for the building at 214 East Main Avenue by Vold Tire Company, LLC. The motion passed unanimously with members Askvig, Christianson, Keiser, Ubl and Walth voting in favor.

## **RENAISSANCE ZONE PROJECT -**

### **711 EAST SWEET AVENUE – REHABILITATION – BISMAN COMMUNITY FOOD COOPERATIVE**

Mr. Tomanek stated that the applicant is proposing to make renovation improvements to the building to allow for the lease of space by the Bismarck Community Food Cooperative to operate a grocery store in the facility. Plans include the demolition of interior walls, the existing flooring and the electrical and plumbing systems. Interior building improvements would include replacement of the flooring, new restrooms, new electrical and plumbing systems, reconfiguration of the HVAC system and the creation of a 2,200 square foot mezzanine level. Exterior improvements include the addition of two windows on the north-

facing façade/storefront, the addition of a new entrance, new cedar siding and aluminum composite metal panels on the north-facing façade and repainting the entire building. Using the proposed 2014 assessed value of the building (\$561,800) and the total investment of \$829,723.60, the level of re-investment is approximately 68 percent. Estimated property tax benefit would be \$38,500 over 5 years at 100% and a \$5,000 estimated state income tax benefit.

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. Using the proposed 2014 assessed value of the building (\$561,800) and the total investment of \$829,723.60, the level of re-investment is approximately 68 percent.

The property is outside the Downtown Core zoning district and zoned CG-Commercial, so there are no regulations for design standards.

Staff recommends approval of the designation of the rehabilitation of the building at 711 East Sweet Avenue by Jerry & Renae Doan 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.

Mr. Whittey was concerned as to why there is no site plan or landscape plan. Mr. Tomanek explained that because the building is already standing a new site plan was not necessary and because the parking lot already exists that landscaping is not a requirement for the application. Mr. Whittey explained that as a Renaissance project the Authority could request that a new landscape plan be submitted and suggests that the Authority not begin exempting new applicants from showing a landscape plan.

Mr. Breiner mentioned that some trees are there already and that any further requirement would be included in the plan.

Mr. Askvig reminded the Authority that the parking lot on this property has been considered multiple times at City Commission due to variance requests to reduce the required number of parking stalls and requesting a new plan for the parking lot might be unduly burdensome and repetitive.

Mr. Askvig asked if the boulevard trees would remain. Mr. Breiner stated that one was removed to accommodate a new driveway but the rest will remain. He continued by stating that the trees adjacent to the building are staying. Mr. Breiner continued by saying that there is a sidewalk and the roof is in new and in good condition. He concluded by stating that the owners have owned the building since one year after it was built in the 1980s.

Chairman Walth opened the public hearing. No comments were received.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Askvig to recommend approval of the designation of the rehabilitation of the building at 711 East Sweet Avenue by Jerry & Renae Doan 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. The motion passed unanimously with members Askvig, Christianson, Keiser, Ubl and Walth voting in favor.

#### **711 EAST SWEET AVENUE – BISMARCK COMMUNITY FOOD COOPERATIVE – LEASE OF SPACE**

Mr. Tomanek stated that the applicant is proposing to lease 10,200 SF of retail space in the building to operate a member-owned full-service grocery store. Improvements would be made throughout the building as the separate Renaissance Zone rehabilitation project discussed previously. The applicant has indicated approximately 25 full-time employment positions would result from the new business location. The estimated state business income tax benefit would be \$25,000 over 5 years.

The property owner has requested the designation of the rehabilitation of the space as a separate Renaissance Zone project. Based on the project architect's estimates, the minimum level of investment required for consideration as a Renaissance Zone rehabilitation project would be exceeded; the estimated price-per-square-foot for the rehabilitation project is approximately \$81.35. The investments made in the rehabilitation of the building negate the requirement for the applicant to exceed a minimum level of investment in the leased space.

The applicant would be occupying space in a building that has been classified as a Renaissance Zone rehabilitation project; therefore, a minimum level of investment is not required. However, the applicant has indicated significant expenditures will be necessary for the specific needs of a retail grocery store such as coolers, shelving, equipment etc. The project completion date is projected for the spring of 2016.

Mr. Christianson requested clarification of the business as a non-profit. Mr. Breiner explained that the Bismarck Community Food Cooperative is a for-profit business but each investor receives equal profit-sharing rather than a minimal or singular number of owners.

**MOTION:** A motion was made by Mr. Askvig and seconded by Mr. Ubl to recommend approval of the designation of the lease of space in the building at 711 East Sweet as a Renaissance Zone project. The motion passed unanimously with members Askvig, Christianson, Ubl and Walth voting in favor.

## **RENAISSANCE ZONE BOUNDARY MODIFICATION - UPDATE**

Mr. Tomanek stated that, as directed by the Renaissance Zone Authority, the Planning Division mailed 98 letters to property owners along East Front Avenue, East Main Avenue and East Broadway Avenue, seeking feedback and input relating to the expansion of the Renaissance Zone boundary. To date, six property owners have responded to the inquiry, four of which would be in favor of their property being added to the Renaissance Zone.

Mr. Askvig asked if it is fruitful to designate any of the 11 possible blocks. Mr. Tomanek stated that designating blocks as Renaissance Zone without property owner support has not produced favorable results in the past.

Mr. Whittey mentioned that one of the reasons for wanting to designate areas as part of the Renaissance Zone was to encourage rehabilitation.

Chairman Walth stated that the Authority is not mandated to expand the Renaissance Zone, so he suggests waiting for new designations to become apparent from business-owner buy-in.

The general consensus of the Authority members present was to retain the additional 11 blocks until such time as more support for future projects becomes apparent.

## **OUTSTANDING RENAISSANCE ZONE PROJECTS**

Mr. Tomanek mentioned that letters have been sent to project recipients reminding them if their project completion exceeds 12 months past their original tentative project completion date that Renaissance Zone Authority may request an update of the activity. Letters have been sent to the following:

- Project 94-B - Redland, LLC at 401 East Broadway Avenue
- Project 99-B - 200 South 1<sup>st</sup> Street – purchase with New Construction by Arikota, LP
- Project 103-B – 215 North 3<sup>rd</sup> Street – Rehabilitation by Norma Apartments, LLC
- Project 16-B – 514 East Main Avenue – Purchase with Improvements by Gulch Holdings II, LLC

Mr. Askvig asked if the Authority has processed any payments or tax deferments as of yet and Mr. Tomanek clarified that no exemptions have been initiated but that new building assessment values by City Assessing will be made after February 1<sup>st</sup>. The consensus was that applicants should keep the Authority informed of the project activity to-date.

## ADJOURNMENT

There being no further business, Chairman Walth adjourned the meeting of the Bismarck Renaissance Zone Authority at 5:10 p.m.

Respectfully Submitted,



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Sandra Bogaczyk  
Recording Secretary



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Curt Walth  
Chairman