

**RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
March 15, 2016**

The Bismarck Renaissance Zone Authority met on March 15, 2016 in the David J. Blackstead Meeting Room in the City-County Office Building at 221 North 5th Street. Chairman Walth presided.

Authority members present were Jim Christianson, Chuck Huber, George Keiser and Curt Walth.

Authority members Josh Askvig, Todd Van Orman and Jeff Ubl were absent.

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).

Guests present were Kate Herzog and Madison Cermak of the Downtowners.

CALL TO ORDER

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

MINUTES

The minutes of the January 19, 2016 and February 16, 2016 meetings were distributed with the agenda packet. Chairman Walth pointed out an omission from the February minutes and Mr. Tomanek stated the correction would be made prior to publication.

MOTION: A motion was made by Mr. Keiser and seconded by Mr. Christianson to approve the minutes of the January 19, 2016 and February 16, 2016 meetings with corrections. The motion passed unanimously with members Christianson, Huber, Keiser and Walth voting in favor.

RENAISSANCE ZONE PROJECTS – Discussion

711 EAST SWEET AVENUE, BISMAN COMMUNITY FOOD COOPERATIVE

Mr. Tomanek stated the purpose of this discussion is to provide an update for two Renaissance Zone projects that were recently considered by the Renaissance Zone Authority and the Board of City Commissioners. The projects are the rehabilitation of the building at 711 East Sweet Avenue by Jerry & Renae Doan and the subsequent lease project by the Bismarck Community Food Cooperative. These projects were reviewed at the January Renaissance Zone Authority and Board of City Commissioners meetings.

Mr. Tomanek continued that at this time, neither project has been submitted to the North Dakota Department of Commerce - Division of Community Services for review because the necessary documentation from the building owner was not submitted to the Planning Division until February 29, 2016; the missing form was the State Tax Department's Certificate of Good Standing from the property owner. This document is a required item that each Renaissance Zone applicant must provide to the Planning Division. Mr. Tomanek stated that much of the interior rehabilitation work has been initiated without the tentative approval of the North Dakota Department of Commerce - Division of Community Services. This work cannot be counted toward the required level of investment to qualify for a Renaissance Zone rehabilitation project, and it appears that the remaining work would not meet the investment requirements for a rehabilitation project.

Mr. Tomanek explained that the project at this time is about 80% complete according to the Building Official. Mr. Tomanek stated that the architect thought the project had received all the necessary approvals. Mr. Tomanek stated that he communicated with Ms. Roehrich at the State Department of Commerce - Division of Community Services who stated that the project cannot be approved due to the amount of rehabilitation work that had taken place.

Mr. Tomanek mentioned that he has notified the project architect of the concerns. Since there is less than the minimum threshold amount remaining to invest in the building rehabilitation, and because there are tentative approvals from both the Renaissance Zone Authority and the City Commission on record, Mr. Tomanek stated that staff recommends a motion that the Authority recommend rescinding both exemption designations.

Mr. Keiser suggested the Renaissance Zone perhaps alter their process so that a project gets all the paperwork completed before any construction occurs. Mr. Tomanek stated that in the past the Authority was criticized for the length of review of Renaissance Zone projects and the amount of time required to have a project considered. Mr. Keiser suggested that the Authority look at ways to prevent a project from failing due to overlapping construction and paperwork interests. Mr. Tomanek noted that the date on the Certificate of Good Standing was January 25, 2016; the certificate was not provided to the Planning Division until February 29, 2016. Mr. Tomanek further described the number and content of several letters and emails used to communicate the need to receive appropriate paperwork from the project owner in a timely manner.

MOTION: A motion was made by Mr. Christianson and seconded by Mr. Huber to recommend the rescindment of Renaissance Zone project status for both the rehabilitation of the building at 711 East Sweet Avenue by Jerry & Renae Doan and the subsequent lease project by the Bismarck Community Food Cooperative. The motion passed unanimously with members Christianson, Huber, Keiser, and Walth voting in favor.

RENAISSANCE ZONE PROJECTS – Discussion

200 SOUTH 1ST STREET – UNITED PRINTING, ARIKOTA, LP (PROJECT 99-B)

Mr. Tomanek stated that the purpose of this discussion is to provide an update regarding the deficient landscaping elements at the United Printing office building located at 200 South 1st Street. The landscape plan that was submitted by Swenson, Hagen & Co. in 2013 was reviewed by Planning staff in August 2013 and found to have met the minimum requirements of the City of Bismarck's landscaping and screening ordinance. Based on the inspection of the site on February 26, 2016, there were a number of plant units not installed according to the approved landscape plan that was submitted in 2013.

Mr. Tomanek continued that as a result of the deficient landscape elements, Planning staff recommends that the project not be closed out until such time as the required landscape materials have been installed according to the approved landscape plan. More specifically, portions of the perimeter parking lot landscape areas are deficient of plant material and the site does not meet the minimum required plant units as defined by the Landscaping and Screening Ordinance, Section 14-03-11(8) of the City Code of Ordinances. Mr. Tomanek explained that the five-year property tax and five-year state business income tax exemption periods would not commence until such time as the landscape components have been installed, according to the minimum standards required by the landscaping and screening ordinance.

Mr. Tomanek stated that Mr. Hauer and Mr. Bischoff of United Printing have been forwarded a copy of the approved landscape plan which highlights the areas found to be lacking the required plant units. Both gentlemen had stated in person and in email that they have every intention to conform to the zoning requirement. United Printing will contact Mr. Tomanek when the plantings have been completed so that the project may then be inspected for a final closing in an effort to initiate the five-year property tax and five-year state business income tax exemption periods.

Mr. Tomanek stated that he will be verifying that approximately \$3,000,000 was invested in construction once the landscaping is complete.

RENAISSANCE ZONE PROGRAM STATE EXTENSION PROCEDURES - Update

Mr. Tomanek explained that one of the necessary procedures a community must follow per NDCC 40-63-03.1 to apply for a 5-year extension of the Renaissance Zone program, which in Bismarck is set to expire on May 1, 2016, is an updated Development Plan, including an updated inventory. Mr. Tomanek distributed to Authority members the text with proposed edits for comment.

Mr. Tomanek explained that the new Development Plan does include the Renaissance Zone 2013 expansion to the east. Also highlighted is the 2013 Subarea Plan.

Chairman Walth mentioned that existing downtown businesses that expanded should be added as major milestones for the Renaissance Zone program.

Mr. Tomanek stated that there are 50 new businesses created as Renaissance projects and 15-plus existing business which have expanded as Renaissance Zone projects and they will be included in the extension plan.

Mr. Christianson suggested adding the Metro Plains project which will add approximately 30 apartment units.

Mr. Tomanek mentioned that the 2015 Downtown Design Guidelines would be added as a successful addition to the Authority's ability to enhance the downtown area.

Chairman Walth thought that the dollars invested would be an appropriate addition. Mr. Tomanek stated that \$52.5 million has been invested with six projects still open as of March 15, 2016. The consensus was to show a spreadsheet summary of investment dollars spent.

Chairman Walth commented on the significance of detailing the success of reaching one of the Renaissance Zone Authority's major goals showing an increase of employment with 465 new jobs. Mr. Tomanek said that furthermore, by the end of 2016 there will be approximately 500 full-time employees added over 15 years with Renaissance Zone projects and this is highlighted in the Development Plan.

Mr. Huber pointed out that actual employment number for downtown is much higher when including all new downtown businesses which opened as a result of establishing the Renaissance Zone.

Chairman Walth called attention to the lack of island blocks and suggested that the Authority reserve the right to utilize a 3-block island in the future, if deemed appropriate, along with the inclusion of several blocks east of the downtown core which were added in 2013. There was a consensus that those blocks allow the Renaissance Zone Authority tremendous potential for future development.

Mr. Whittey asked if progress had been made with acquiring a letter of support from Burleigh County. Mr. Tomanek explained that the first step is to get an endorsement from the City Commission. The next step is to request endorsement from the School District and the County Commission.

Chairman Walth and Mr. Whittey agreed that the non-Renaissance Zone project development downtown would not have occurred without the establishment and support of a Renaissance Zone program.

Mr. Keiser emphasized that since property tax issues might become a sensitive conversation if the State makes any further budget cutbacks, that it is even more important to emphasize the long-term benefit of the Renaissance Zone initiatives.

Chairman Walth further explained that since Renaissance Zone projects enhance the value of buildings and businesses and therefore the community, that it is especially important to vocalize the difference between short-term values versus long-term investment. There was a consensus that the most important conversation an Authority member could have with school board members, or County commissioners, would be to emphasize the increased taxes after 15 years of sponsorship of Renaissance Zone projects.

Chairman Walth further emphasized that it is the Authority's responsibility to counter the misunderstanding that the Renaissance Zone is a publically-funded entity. Mr. Huber agreed that there is a false perception that a kitty is being spent in Renaissance Zone projects; that there is some amount of money available to development and it is being spent on downtown.

Mr. Keiser mentioned that 38% of Bismarck is non-taxable property.

Mr. Tomanek highlighted that Renaissance Zone infrastructure expenditures total virtually zero dollars, also emphasizing the real value added in a densely, already built environment as opposed to extending the city physically.

OTHER BUSINESS

Mr. Huber asked if the Authority has any new information on the Quiet Rail Zone construction.

Mr. Tomanek stated that to his knowledge the plans are in the hands of Burlington Northern Santa Fe and he will ask Mr. Berg or Mr. Wocken to update the Renaissance Zone Authority at the next meeting.

DOWNTOWN UPDATE PROVIDED BY THE DOWNTOWNERS ASSOCIATION

Ms. Herzog agreed that there is a large misunderstanding in the public about the Renaissance Zone program. The Downtowners is organizing a presentation called the State of the Downtown where they will involve the Mayor and City Commissioners. The purpose of the event will be to highlight the current economic vitality and efficiency of downtown Bismarck, the value of the Renaissance Zone program and to help inform citizens and business leaders in the community on the importance of a healthy and vibrant downtown.

ADJOURNMENT

There being no further business, Chairman Walth adjourned the meeting of the Bismarck Renaissance Zone Authority at 5:05 p.m.

Respectfully Submitted,



Sandra Bogaczyk
Recording Secretary



Curt Walth
Chairman

**RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
February 16, 2016**

The Bismarck Renaissance Zone Authority met on February 16, 2016 in the David J. Blackstead Meeting Room in the City-County Office Building at 221 North 5th Street. Chairman Walth presided.

Authority members present were Josh Askvig, Jim Christianson, Chuck Huber, George Keiser, Todd Van Orman and Curt Walth.

Authority member Jeff Ubl was absent.

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), and Charlie Whitman (City Attorney).

Guests present were Kate Herzog and Madison Cermak of the Downtowners and Jeffery Feist.

CALL TO ORDER

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

MINUTES

The minutes of the January 19, 2016 meeting will be distributed with the agenda packet and considered at the March 15, 2016 meeting.

**DOWNTOWN DESIGN REVIEW – *Façade Alteration*
410 East Front Avenue – Bismarck Parks & Recreation District**

Mr. Tomanek explained that the owner, Bismarck Parks and Recreation District, is proposing to remodel the entrance to a portion of their building at 410 East Front Avenue that is currently leased to the North Dakota League of Cities. He continued that the reason for the remodeling is to eliminate the existing exterior stairs and ramp and replace them with an interior stair and accessible lift. By modifying the entrance they would eliminate the snow and ice issues related to winter conditions.

Mr. Tomanek explained that the exterior finish of the addition would match the EIFS material and color of the previous remodel to blend with the existing material. The entrance remodel will be similar but slightly smaller than the recently completed BAGA entrance of their portion of the building. The design of the new entry would utilize design details from the existing building.

Mr. Tomanek stated that it is no longer an historically significant building. But because it is in the DC - Downtown Core zoning district it is subject to Downtown Design Review.

Mr. Christianson asked what is to happen to the existing ramp. Mr. Feist replied that the existing steps and ramp will be removed and re-built as handicap accessible without losing any parking spaces.

MOTION: A motion was made by Mr. Christianson and seconded by Mr. Keiser to approve the formal Downtown Design Review application for the building at 410 East Front Avenue. The motion passed unanimously with members Askvig, Christianson, Huber, Keiser, Van Orman and Walth voting in favor.

INCOMPLETE RENAISSANCE ZONE PROJECTS – Discussion

Mr. Tomanek stated that letters have been sent to four (4) project recipients providing both confirmation of their project approval by the City of Bismarck and the North Dakota Department of Commerce – Division of Community Services and notice that the project has exceeded the anticipated completion date. Letters have been sent to the following:

- Project 94-B - Redland, LLC at 401 East Broadway Avenue
- Project 99-B - 200 South 1st Street – purchase with New Construction by Arikota, LP
- Project 103-B – 215 North 3rd Street – Rehabilitation by Norma Apartments, LLC
- Project 110-B – 514 East Main Avenue – Purchase with Improvements by Gulch Holdings II, LLC

Mr. Tomanek has heard from all except the owners of the building at 215 North 3rd Street, Project 103-B, managed by Goldmark. Mr. Tomanek stated that he'll be following up with Goldmark Management.

Mr. Tomanek continued that Redland, LLC, Project 94-B, stated that they wish to still make improvements and requested the project is allowed to remain open until more tenants can be obtained.

Mr. Tomanek continued that Project 110-B at 514 East Main Avenue has provided invoices and the project is in the process of being closed.

Mr. Tomanek further explained that Arikota, LP, Project 99-B, has fallen short of its landscaping requirements. Mr. Tomanek stated he would contact the owner to discuss the issue.

Chair Walth indicated that his employer has a business relationship with Arikota, LP. A consensus was reached by voice vote requesting that Mr. Walth remain in the decision-making.

Mr. Christianson requested to hear from staff what the process is for nonconforming projects. Mr. Tomanek responded by stating that a letter must be sent and owners have until June 15th to fulfill landscaping requirements, that they are in violation of a zoning regulation.

Mr. Christianson mentioned that property tax benefits would be withheld until the project conforms to the regulations. Mr. Whitman mentioned that their failure to comply could result in a loss of application.

MOTION: A motion was made by Mr. Huber and seconded by Mr. Keiser to approve sending a letter to the property owner regarding required landscaping for Project 99-B, Arikota, LP at 200 South 1st Street to conform to the zoning requirement. The motion passed unanimously with members Askvig, Christianson, Huber, Keiser, Van Orman and Walth voting in favor.

RENAISSANCE ZONE PROGRAM STATE EXTENSION PROCEDURES - Update

Mr. Tomanek explained that there are necessary procedures a community must follow to apply for an extension of the Renaissance Zone program which is set to expire on May 1, 2016. The 2013 North Dakota legislative assembly amended the law to allow communities to apply for a 5-year extension of the program if the following steps are followed per NDCC 40-63-03.1.

1. Updated development plan, including an updated inventory
2. Explanation of why the extension is needed
3. Letters of support from the Bismarck Public Schools and Burleigh County
4. Results of the public hearing
5. City council minutes documenting approval

Mr. Keiser stated that people need to look at the tax returns over 10 years, not five years in order to see the benefits for the city as a whole. He continued that as time goes on it pays immensely to the city tax base and that the Authority needs to convey that fact to anyone unable to see the long-term benefits.

Mr. Christianson stated that a public information session could be arranged to educate the public on the benefits of having a Renaissance Zone.

Mr. Askvig stated that a City Commission public hearing would already provide an equal opportunity for arguments to be voiced and information to be disseminated.

Mr. Keiser also mentioned that the Authority has not yet fulfilled its greatest goal, to affect housing.

Mr. Keiser mentioned that the financial returns to the City do not appear until after 5 to 10 years have passed once a property returns on the tax collection rolls.

Mr. Askvig stated his support in using the data already collected from staff to show the benefits that property tax incentives provide to the city's tax base.

MOTION: A motion was made by Mr. Christianson and seconded by Mr. Keiser to instruct staff to proceed with the application for extending the duration of the renaissance zone status for the City of Bismarck for five (5) years and also making a recommendation to City Commission for that extension. The motion passed unanimously with members Askvig, Christianson, Huber, Keiser, Van Orman and Walth voting in favor.

DOWNTOWN UPDATE PROVIDED BY THE DOWNTOWNERS ASSOCIATION

Ms. Herzog stated that the Downtowners Association has been asked by the Chairman of the Downtown Master Plan Implementation Team to initiate project development steps relating to the trail connection between downtown and the Missouri River. She stated that in working with City of Bismarck Parks and Recreation Staff and Bartlett and West Staff the RailTrail plan will most likely not be in the railroad right-of-way and that within the next two months a recommendation should be finalized.

Ms. Herzog also stated that the 6th Street Cultural Trail group working with Planning staff, North Dakota Humanities Council, North Dakota Council on the Arts, State Historical Society, Heritage Center and the Bismarck Historical Society to connect the downtown to the Capitol grounds and the Heritage Center had its first meeting. The group discovered that 6th Street alone should be expanded to a larger scope. As the group identifies places of interest they will form a trail according to those places.

Ms. Herzog stated that her organization is concerned about the negative image the Renaissance Zone has been given by a few detractors, and supports finding a way to market the Renaissance Zone program's benefits.

There was a consensus that the efficiencies created by downtown development cannot be re-created with new construction and that the marketing of both that comparison and the difference between tax increment financing versus sales tax increase must be explained with more clarity and conviction so that a lack of knowledge does not influence city financial planning.

OTHER BUSINESS

Mr. Huber asked if the Authority has any new information on the Quiet Zone construction.

Mr. Askvig stated that the City is in a waiting pattern and plans for the improvement project are with the Burlington Northern Santa Fe railroad (BNSF).

Mr. Whitman stated that BNSF has not stated anything but when information is made available the issue will be discussed formally.

ADJOURNMENT

There being no further business, Chairman Walth adjourned the meeting of the Bismarck Renaissance Zone Authority at 4:55 p.m.

Respectfully Submitted,



Sandra Bogaczyk
Recording Secretary



Curt Walth
Chairman