

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

The Bismarck Renaissance Zone Authority met on July 19, 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, Todd Van Orman, and Chairman Walth.

Authority member Josh Askvig was absent.

Technical Advisor Bruce Whittey was present and Steph Smith was absent.

Staff members present were Kim Lee (Planning Manager), Daniel Nairn (Planner), Carl Hokenstad (Community Development Director), Sandra Bogaczyk (Office Assistant), Jason Tomanek (Assistant City Administrator), Brenda Johnson (Senior Real Property Appraiser), and Will Hutchings (Planner).

Guests present were Kate Herzog and Madison Cermak of the Downtowner Business Association and Paul Flotterud of Architectural Concepts Inc.

CALL TO ORDER

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

MINUTES

The June 21, 2016 meeting minutes 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 June 21, 2016 meeting as distributed. The motion passed unanimously with members Christianson, Huber, Keiser, Van Orman, and Chairman Walth voting in favor.

CORE INCENTIVE PROJECTS / DOWNTOWN DESIGN REVIEW –

114 NORTH 3RD STREET – FAÇADE IMPROVEMENTS

Mr. Nairn stated that Chris Volk, owner of 114 North 3rd Street, requested approval of proposed modifications to the approved façade design for CORE Project 61-15. He added that the approval does not go to City Commission; the Authority has the final say.

Mr. Flotterud stated that the material is the same but the approved 4-panel glass garage door, if approved, will become a 3-panel glass garage door with a standard independent glass door next to the 3-paneled garage door.

Mr. Christianson asked where the project stands and Mr. Flotterud stated that the bids have come in excessively high. He said that all other approved aspects of the design will remain the same.

MOTION: A motion was made by Mr. Keiser and seconded by Mr. Christianson to approve the façade modification from a 4-paneled garage door to a 3-paneled garage door plus one standard glass door. The motion passed unanimously with members Christianson, Huber, Keiser, Van Orman, and Chairman Walth voting in favor.

NEEDS ASSESSMENT FOR RENAISSANCE ZONE PROGRAM PROJECTS – DISCUSSION

Mr. Nairn distributed a Needs Assessment report, as requested by the Authority during the previous meeting. He stated that the purpose of the report is to evaluate the remaining need for improvements within the existing Renaissance Zone boundaries and generate discussion about the future of the program. He stated that the report includes:

1. To discern which properties are ineligible for future Renaissance Zone improvement including buildings with a previous project status, blocks which have a completed status, and those owned by non-profit agencies, utilities or having a government status -making one-third of all buildings in the Renaissance Zone ineligible for improvement.
2. Data from the City Assessing Department which showed a ratio of building improvement value to land value
 - a. Those buildings with high value compared to their land value received a lower ranking as they are less likely to be developed.
 - b. Those buildings with a lower value compared to their land value received a higher ranking as they are more likely to be developed.
3. Properties previously identified in the development plan a potential project per the state requirement to provide such locations.
4. Change in assessed building value along with historic building values from 2003. Every building's value has increased but colors show the highest to lowest increase in value.

Mr. Keiser asked if there were any parcels where both the land and building values would be low. Ms. Johnson answered that there would not be a case where a lot would be valued inconsistently from other lots within the same zoning area, further explaining that the land value is assessed before any building is assessed unless there is some non-comforming property.

Mr. Nairn stated that patterns were found to overlap consistently between the map on page 2 showing that buildings which have a low value compared to their land value showed the highest increased value, as shown on page 4.

Mr. Nairn stated that pages 5 and 6 include photographs of the top priority buildings, while page 9 is a map showing a pattern, or clustering, of the highest potential areas for Renaissance Zone investment. Mr. Nairn further explained that one high-potential investment area surrounds West Broadway, another is in the northwest portion of the Renaissance Zone, another is in the 200 block of East Main, and another is east of the Event Center.

Mr. Nairn then explained that page 10 showed a time-estimate for developing the top three tiers of potential properties based on the current rate of redevelopment, which amounted to approximately 15 years. The estimate is only inclusive of current Renaissance Zone boundaries and does not take into account any currently ineligible properties being sold to an eligible entity.

Mr. Nairn reflected that the Needs Assessment report does not reflect past benefits but is focused on future needs. Mr. Nairn also reminded all present that the City Assessing Division was forwarding tax assessments to Mr. Tomanek in order to compile current valuations of previously-approved Renaissance Zone projects for the Authority's review in the near future.

Mr. Whittey asked how properties were scored to arrive at the final assessment. Mr. Nairn explained that he used a point system to determine the three tiers showing highest to lowest-potential development. One to five points were awarded for properties which had the highest to lowest land-improvement value, three points if the property is in the development plan, one point was awarded to properties with the fastest growing value, and 5 points for slowest growing values, and staff also made a few judgement calls based on exterior appearance and the surrounding area.

Mr. Christianson asked how the information can best be used. Mr. Tomanek answered that the data can be submitted to Department of Commerce when applying for a renewal. He continued that since the report shows at least a 5-year development plan that the data should prove invaluable in gaining approval for a Renaissance Zone renewal. Mr. Christianson also mentioned that the press, City Commissioners and the legislature would be interested in the data.

Mr. Keiser stated that the Needs Assessment report is a great document and thanked Mr. Nairn for his time and effort in creating it.

Mr. Keiser asked what would be the best way to get the information to the public and mentioned that service clubs may be a good venue. Mr. Christianson mentioned various web-based sites.

Chair Walth stated that he liked how the power of the information shows more than tells the effectiveness of Renaissance Zone Authority accomplishments along with historic data proving its future usefulness.

Mr. Huber suggested a financial projection based solely on historic data be created. Mr. Keiser emphasized that there are a lot of properties in need of improvement and that the general population is aware of the potential to improve property values.

Mr. Tomanek stated that he has met with the GIS Department staff that can develop an ESRI-based online program which will show before and after images and a compilation of all the data gathered in visual form. He also stated that nothing compares to one on one face-time with the public as proposed by Chair Walth.

Ms. Herzog asked that since the City continues to look at downtown housing issues, can the Authority somehow link the data results to discern which sites provide better opportunities for housing development. Ms. Herzog's second question was that since development cost-effectiveness is higher in the Downtown could the Authority also show a data map showing that comparison to the rest of Bismarck. Ms. Lee mentioned that Mr. Tomanek had previously prepared a map showing per square foot values. Mr. Tomanek stated that a new software will be used to track City expenses regarding street works, etc. and it should be possible to look at parts of the city in such financial screenshots.

Mr. Flotterud mentioned that if only past and present real estate values layered a GIS map, then similar information could be simply fact-based and real-estate developers could make their own projections.

There was a consensus that the data should be shared with the public in many different public and private venues. Mr. Christianson also felt that the data should not only be shared with entities, such as the League of Cities, at the soonest convenience but also similarly compiled in other cities around North Dakota.

Chair Walth felt that if the Renaissance Zone Authority were able to enact its charter for another term of 5 years, and increase the Downtown tax base \$50 million, the ability to do that would mostly come from educating people about the increased future value of investing in downtown properties. Mr. Huber and Mr. Van Orman both felt that the public conversation needed to be reframed towards investment rather than expense because investment is the greater outcome.

Chair Walth wondered how the Authority could find a measure for community pride tied to increased investment in a downtown core. Mr. Keiser stated that proof is seen in people coming downtown more. Chair Walth mentioned that it is measurable noting the number of eateries who want to be downtown. Ms. Herzog stated that a metric could be created for walkable streets. She mentioned that foot traffic is a measurable quality in gauging the effectiveness of a downtown, but the study must be recreated in Bismarck. Mr. Keiser mentioned that it appears that many who take advantage of the walkable streets in downtown

are unaware of the amount of investment necessary to create such a cityscape and instead of seeing tax-free contracts need to alternatively see the value increase due to that initial investment. Chair Walth noted that the Authority has to do a better job advertising the value of investment determined by the outcome over the investment itself. Mr. Huber stated that ironically, given Bismarck's small pool of developers, that in fact downtown investment has more diverse ownership and less concentration of benefactors lending to a greater community investment than non-downtown development. Mr. Van Orman concurred that it is individual entrepreneurs who are benefitting from Renaissance Zone project investment and have a greater interest in taking a risk to form community pride, as opposed to those who believe there are special interests involved.

Mr. Van Orman asked if the Authority might be interested in reaching out to the owners of the properties identified in the highest-potential category to see if they are interested in securing Renaissance Zone investment, as opposed to concentrating on public education. Mr. Tomanek mentioned that some of the owners are out of state and do not necessarily have a direct interest in creating a more cohesive community.

Ms. Herzog stated that the Greater North Dakota Chamber of Commerce is having a Policy Summit at the end of August at the Ramkota with a panel on business incentives focusing on similar issues.

Mr. Hutchings suggested that histories from individual owners' experiences with Renaissance Zone investment could be published to create part of the narrative the Authority is attempting to publish. Mr. Whittey suggested that such videos could be a part of any presentation the Authority creates. Mr. Tomanek stated that some of those stories have been told, but not in a re-creatable format, reminding Authority members of some favorable statements made in front of the Bismarck School board.

DOWNTOWN UPDATE PROVIDED BY THE DOWNTOWNERS ASSOCIATION

Ms. Herzog mentioned that those who meet with the Downtowners Association are mostly looking at the fringe area west and northwest of downtown. She continued to say that questions are asked why those areas are still under-developed and it was suggested that street functionality may have something to do with it. Ms. Herzog stated that since Thayer terminates at the hospital, and Broadway is also not a two-way through-street, that access is cut off to those areas in the west part of downtown. She further stated that potential business owners have commented that because there is not two-way traffic on Broadway that it is an undesirable location for their business. Ms. Herzog further explained that since Main Avenue has been reduced to three lanes that making Broadway two-way would alleviate some of the congestion on Main. She recommended to the Authority that the Downtowners would like to see two-way traffic in Chancellor Square. Mr. Huber agreed but questioned how it would happen. Ms. Herzog explained that there are only two traffic lights that would need to be converted.

Mr. Tomanek asked Authority members if rates for rental space reflects in the quality of the building. Mr. Huber mentioned that as newer areas charge higher rates the rates in older buildings also have risen, bringing Mr. Tomanek to mention that there needs to be an incentive to make improvements in older buildings.

Chair Walth asked what the Downtowners have heard from businesses about the new road configuration. Ms. Herzog stated that reviews have been overwhelmingly positive regarding wider lanes but intersections back up during peak times and traffic further west is slower-moving but added that Engineering is still looking at light-timing.

Mr. Tomanek mentioned that the City website has seen complaints about the amount of time it takes to get across through the three-lane section of Main Avenue, but that Administration is not as interested in creating a through-way across the downtown district, but rather interested in whether or not businesses feel the road configuration is an advantage to them.

Ms. Herzog mentioned that one local business made an effort to ask every patron on the first day of the new road diet and for the most part patrons did not notice the change.

OTHER BUSINESS –

RENAISSANCE ZONE PROGRAM APPROVAL DURING EXTENSION PERIOD

Mr. Walth again asked if anyone knows whether an approved Renaissance Zone project would still receive its tax exemption if it is not completed before the program deadline set by the Department of Commerce. Mr. Tomanek stated that he asked the question of the Department of Commerce staff and the answer was that without a Memorandum of Agreement that there are no projects to approve, so any projects that are not completed within approximately the next twelve months would not receive a tax exemption. Mr. Keiser stated that if Staff checks with Mr. Whitman, the City Attorney, that he will check with the Attorney of the Legislative Council.

VACANCY

Mr. Nairn stated that the Authority member vacancy announcement was published on July 19, 2016 and closes August 12, 2016 and invited Authority members to direct any potential applicants to the City website.

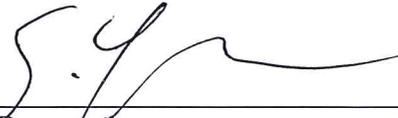
ANNOUNCEMENT OF NEW PLANNER IN COMMUNITY DEVELOPMENT

Mr. Nairn introduced Will Hutchings as a new planner for the Community Development Department beginning Monday, July 25, 2016.

ADJOURNMENT

There being no further business, Chairman Walth adjourned the meeting of the Bismarck Renaissance Zone Authority at 4:50 p.m.

Respectfully Submitted,



Sandra Bogaczyk
Recording Secretary



Curt Walth
Chairman