



CITY OF BISMARCK RENAISSANCE ZONE DEVELOPMENT PLAN

Submitted by the City of
Bismarck's Renaissance Zone
Authority

December 10, 2020

City of Bismarck Renaissance Zone Development Plan

Revision History

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A. Introduction

This Development Plan for the Bismarck Renaissance Zone is adopted pursuant to Chapter 40-63 of the North Dakota Century Code for the purpose of governing the City's Renaissance Zone program. This Plan establishes the current Renaissance Zone boundary, provides a description of the physical assets within the Renaissance Zone, sets goals and objectives for the program, outlines project types and criteria for approval, describes activities for management, promotion, and development of the program, and provides evidence of community support for Bismarck's Renaissance Zone program.

This Development Plan was originally adopted by the Bismarck Board of City Commissioners on November 22, 2000 and approved by the North Dakota Department of Commerce – Division of Community Services in May of 2001. The plan has been amended on a number of occasions to revise program guidelines, adjust the boundary of the Renaissance Zone, and authorize an extension of the program in accordance with state law. A Memorandum of Agreement between the City and State for the continuation of the Bismarck Renaissance Program through July 31, 2022 is included as Attachment A.

The Renaissance Zone program provides tax exemptions and credits to both residents and businesses for revitalization and redevelopment activities within the Renaissance Zone boundaries. The Renaissance Zone is both a local and statewide program that provides both property tax and income tax incentives to property and business owners who invest in qualified projects.

This plan has been submitted by the Renaissance Zone Authority and approved by the Bismarck Board of City Commissioners:

Bismarck Renaissance Zone Authority

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B. Description of Bismarck's Renaissance Zone

1. Downtown Bismarck

Bismarck's downtown area is located in the center of the community and within one-half mile of the State Capitol to the north and Kirkwood Mall (a regional shopping center) to the south. The downtown is well connected by roads, with Washington Street, 7th Street, and 9th Street serving as the main north-south routes linking downtown with Interstate 94 and the Bismarck Municipal Airport. Rosser Avenue, Main Avenue, Broadway Avenue and Front Avenue serve as the main east-west routes linking downtown to the Dakota Zoo and recreation areas along the Missouri River.

The downtown also hosts many important civic institutions, including the federal and county courthouses, the City and County Office Building, The Bismarck Veterans Memorial Library, the Camp Hancock State Historic Site, as well as the City-owned Event Center and Belle Mehus Auditorium. Although not directly within the downtown or Renaissance Zone, the major medical providers for the region are adjacent to the downtown to the east.

While Bismarck has been fortunate in the fact that its downtown has not had the level of deterioration that many downtowns have seen over the years, the City of Bismarck recognizes that its involvement is needed to ensure the continued viability of the downtown. Starting with the development of the Central Business District Plan in 1993 and continuing through the 2013 Downtown Bismarck Subarea Plan, a variety of projects and programs have worked together to stimulate new development in the downtown area and maintain the vitality of the heart of the community. Particularly since the establishment of the Renaissance Zone in 2001, the City has seen a significant investment in the core of the community and this investment is expected to continue with on-going participation in the program.

The City of Bismarck utilizes two distinct zoning districts within the downtown area, the DC – Downtown Core District and DF – Downtown Fringe District. Many, but not all, of the properties within the Renaissance Zone are located within these districts. The purpose of the downtown zoning districts is to preserve and enhance the mixed-use, pedestrian-oriented nature of the City's downtown area. The two zoning districts allow a wide range of mutually supportive uses in order to enhance downtown Bismarck's role as a commercial, cultural, governmental, health/medical, entertainment and residential center. The districts also facilitate the creation of a strong and distinctive sense of place through the inclusion of open space and public plazas.

All development within these downtown zoning districts is subject to a design review process, which is currently under the purview of the Renaissance Zone Authority. The use of the 2015 Downtown Design Guidelines helps to maintain the historical integrity, enhance the quality of design, and preserve the human-scale development of downtown Bismarck.

2. History of the Bismarck Renaissance Zone Program

The Bismarck Renaissance Zone has been in effect for over fifteen years, and several noteworthy changes and events have occurred since the inception of the program.

a. Origins of the Renaissance Zone Program

In February 2000, the Bismarck Board City Commissioners created a Renaissance Zone Advisory Committee to consider the establishment of a Renaissance Zone in Bismarck. Over the course of eight months, the Committee held meetings to identify an area that would most benefit from being included in the Zone. Initially, the Committee examined an area extending from 26th Street on the east to the western corporate limits, including several blocks north and south of Main Avenue. After further discussion, an inventory of properties and a survey of property owners, the Committee concluded that the Zone should be located in the downtown area. As in most communities, Bismarck’s downtown area has been impacted by commercial development on the periphery of the city. While property values in the downtown area had remained relatively steady, the number of vacant buildings was on the rise.

The program formally began with the approval by the North Dakota Department of Commerce – Division of Community Services in May of 2001. The first projects received hearings and were selected by the Renaissance Zone Authority and the City Commission approximately one year later. The effects of the Renaissance Zone program, in terms of rising property values, started to occur by 2004, shortly after the first projects were completed and in place.



Figure 1: Completed Projects by Type and by Year

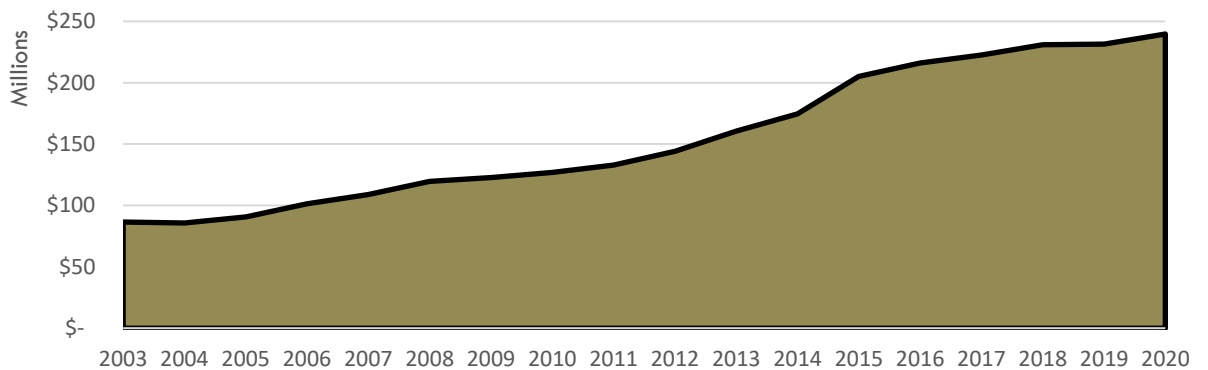


Figure 2: Total Assessed Property Value in Renaissance Zone (2019 boundary)

b. Modifications to the Renaissance Zone Boundaries

The boundaries of the Renaissance Zone have changed on a number of occasions. The original Renaissance Zone from 2001 encompassed 21½ blocks in the downtown area of the community. The Renaissance Zone was expanded by 11 blocks in November 2003 and by another three blocks in February 2008.

During the 2009 state legislative assembly, communities were allowed to remove blocks that had been determined “complete” or “non-progressing” and relocate the block elsewhere within the contiguous boundary. In June 2013 the boundary of the Renaissance Zone was modified to remove four blocks that were deemed complete and to include four new blocks of property. Each modification was made in accordance with Chapter 40-63 of the North Dakota Century Code.

The 2015 Legislature passed a bill to allow communities to increase the maximum number of blocks contained in the Renaissance Zone. After outreach and consideration, the Renaissance Zone Authority determined the additional blocks allowed by this change to the enabling legislation would not be implemented at that time. The Renaissance Zone Authority added 1 additional block in 2017 between Main Avenue and the railroad tracks and west of North 1st Street. This area is a portion of a city block that is within the DC – Downtown Core zoning district but was omitted from the Zone in the initial Development Plan.

After engaging in outreach with property owners, including interest letters, an open house, and a public hearing, eight additional blocks were added in 2019. One block was deemed completed.

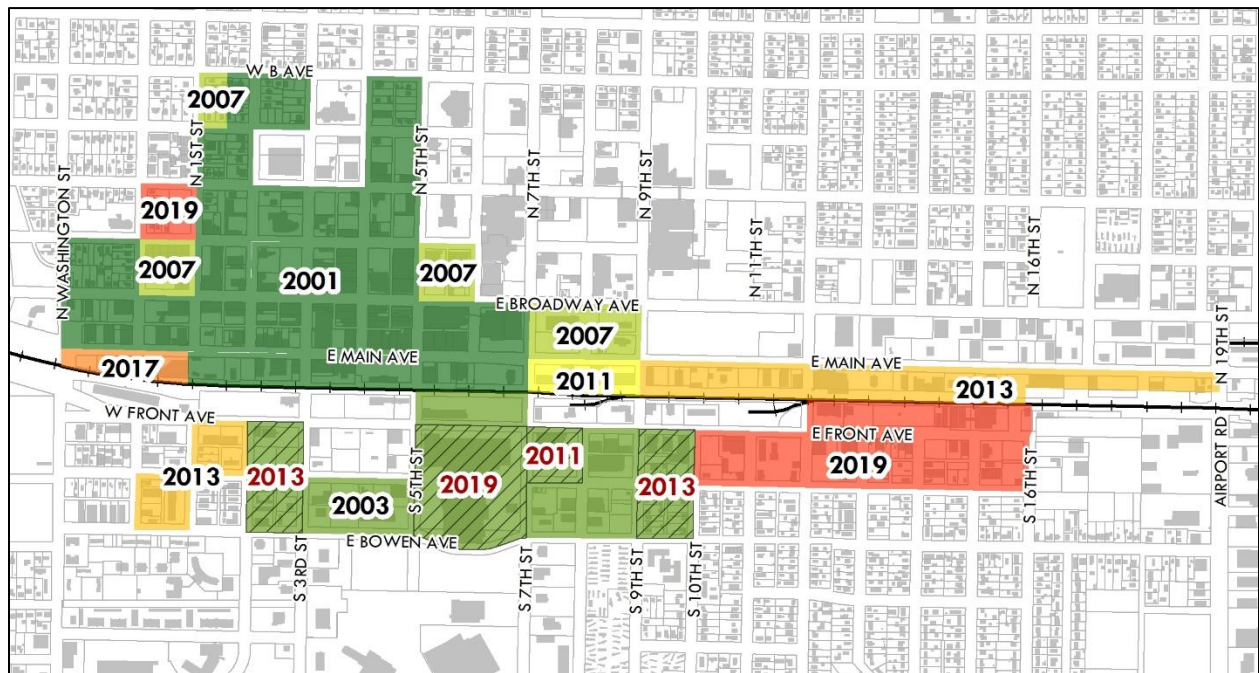


Figure 1: Modifications of Boundary. Year added in **black**; Year completed in **red**

c. Extension of the Renaissance Zone Program

In 2017, the City of Bismarck and the North Dakota Division of Community Services entered into a Memorandum of Agreement to extend the Renaissance Zone program for five additional years. The evidence of community support detailed in Section E was obtained as a requirement for approval of this extension. The program is authorized to continue until August 1, 2022, subject to any future changes initiated by either the City Board of City Commissioners or the State legislature.

Between 2007 and 2017, The City of Bismarck operated a CORE Incentive Grant Program to encourage investment in properties in an area that overlapped with the Renaissance Zone, although guidelines prevented applicants from utilizing both incentives simultaneously. This program was funded by a Tax Increment Financing District, which was eliminated, along with the CORE program, by the Bismarck Board of City Commissioners in July of 2017.

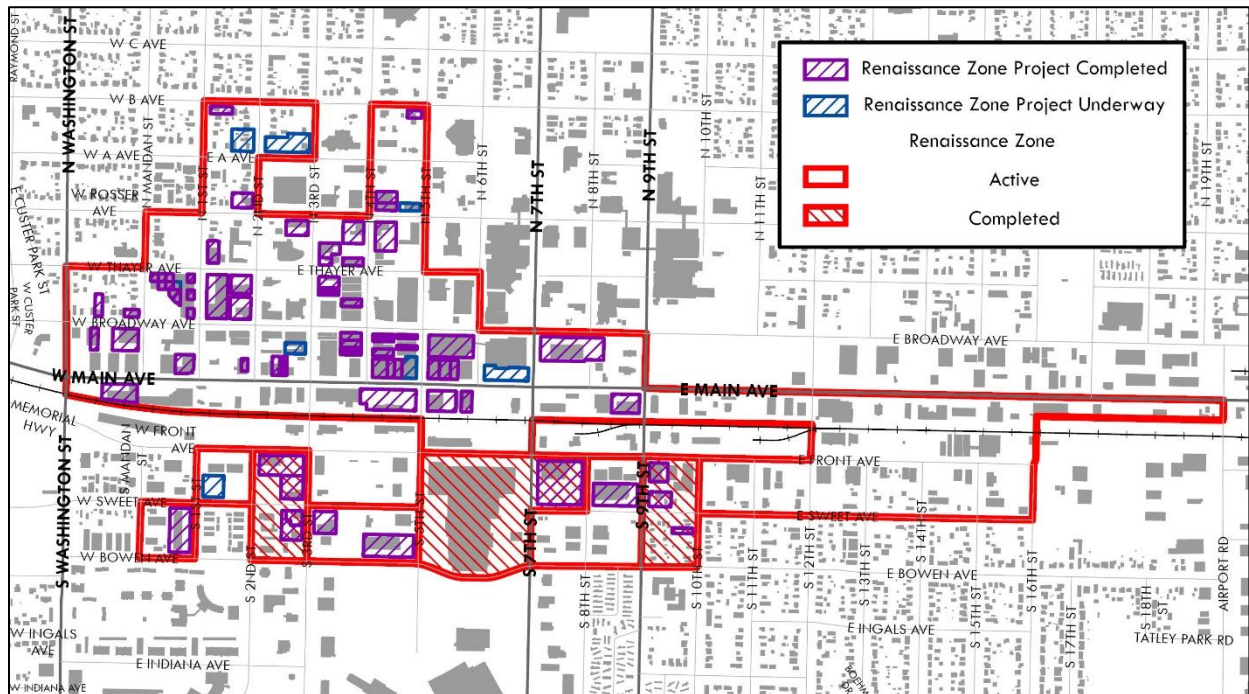


Figure 2: Completed and Approved Renaissance Zone Projects

3. Property Descriptions

Descriptions of properties/structures on each block in the Renaissance Zone, along with the present uses and conditions, is attached as Appendix C. The Renaissance Zone includes both commercial and residential properties.

4. Geographic Boundaries and Blocks of the Renaissance Zone

The current Renaissance Zone map has been attached as Appendix B. The current boundaries are legally described as:

- Blocks 13, 15, 16, 21, and 24, Northern Pacific Addition
- Blocks 2, 4, 6, 8, 10, 12, 13, 16, 19, 28, 30, 37, 40, 42, 44, 46, 48, 49, 50, 51, 52, 54, 56, 58, 59, 60, 62, 64, 65, 66, 67, 68, 73, 75, 84, 104, 106, 108, 110, 112, 116, and 122, Original Plat
- Blocks 17-20, Sturgis Addition
- Blocks 29, 31, and 33, Williams Survey Addition
- Tracts along the south side of Main Avenue between South 9th Street and Airport Road in Williams Survey, Sturgis Addition and Governor Pierce Addition
- Tracts bounded by East Front Avenue, South 12th Street, BNSF railroad tracks, and the east line of Auditors Lot 1600 of Section 3, Township 138 North, Range 80 West, all within Sturgis Addition.

Blocks identified by just a number are original blocks from 2001; blocks identified by a number and the letter “A” are blocks added in 2003 or relocated in 2013; blocks identified by a number and the letter “B” are blocks added in 2007; the block identified by a number and the letter “C” was added in 2011 when a block originally added in 2003 was deemed complete, removed from the boundary and relocated within the contiguous Renaissance Zone boundary; the block identified by a number and letter “D” was added in 2017, and the blocks identified by a number and the letter “E” were added in 2019.

For the purposes of calculating the total allotment of blocks permitted, several of the blocks within the Renaissance Zone shall be considered half blocks because of the presence of government-owned buildings. Blocks 9, 13, 19, 21, 22, 23, 1A, 3B, and 8E are considered half blocks. Blocks 1 and 1B are named independently to account for when the blocks were added, but they constitute one block together.

5. Description of Assets within the Renaissance Zone

Many of the blocks comprising the Renaissance Zone contain historically significant structures. In February 2000, the *Historical Architectural Inventory and Evaluation of Downtown Bismarck, North Dakota* report was completed. The report contains an extensive evaluation of any area within downtown Bismarck as a historical district, and the Downtown Bismarck Historic District was formally designated on the National Register of Historic Places in 2001.

Attractive natural features are also present in some of the blocks, particularly the County Courthouse and Camp Hancock landscaped areas. It is the intent of the Development Plan to promote the growth and redevelopment of the downtown area through, among other strategies, the preservation and improvement of such assets.

C. Goals and Objectives of the Renaissance Zone Program

1. Goals and Objectives

The goals and objectives of the Renaissance Zone program are intended to guide project selection, as well as all policies, procedures, and marketing related to the Renaissance Zone program.

The goals and objectives were set by the Renaissance Zone Advisory Committee in preparation of the original Development Plan in 2000. These were based on outreach and surveys, as well as input from the committee, and they have been reaffirmed with minor updates over time, as needed.

a. Establish the Renaissance Zone as the center of business life, government and cultural opportunity for the Bismarck region.

- i. Maintain the Zone as a mixed-use area accommodating a wide range of retail, governmental, service and residential functions.
- ii. Promote continued support for redevelopment activities in the Zone.
- iii. Promote and advocate activities and programs that meet the needs of varied age, interest, and socioeconomic groups at all times of the day and night and throughout the year.
- iv. Create centrally located public open spaces in the Zone for cultural events and gathering spaces.
- v. Create an organized system of open spaces and linkages to provide a framework for the Zone.
- vi. Locate major cultural facilities such as the library, theater and the like in the Zone.
- vii. Create an identity for the Zone through consistent and complementary design practices as outlined in the Downtown Design Guidelines (2015) for the DC-Downtown Core and DF-Downtown Fringe zoning districts.

b. Promote the Renaissance Zone as the preferred location for hotel, class A office buildings, specialty retail, government and institutional uses.

- i. Examine the possibility of providing incentives, such as financing for new development. Public/private joint ventures and other unique approaches to redevelopment should be encouraged.
- ii. Identify unique businesses, events, and other attractions that may be feasible in the Zone.
- iii. Encourage the location of governmental, financial institutions and other service functions in the Zone.

- c. Maximize accessibility of the Renaissance Zone from throughout the region and provide safe, convenient, and attractive circulation within the zone.**
 - i. Provide adequate and convenient on- and off-street parking for all uses within the Zone.
 - ii. Provide adequate and convenient traffic circulation in and around the Zone without disadvantaging its role as a destination point.
 - iii. Provide for safe, comfortable surface and second level pedestrian circulation within the Zone.
 - iv. Continue to explore opportunities for second level pedestrian walkways throughout the Zone.

- d. Arrange compatible land uses in compact and orderly ways to enhance the functions of the Renaissance Zone.**
 - i. Reinforce emerging entertainment, medical, office/service and retail districts with compatible land uses.
 - ii. Concentrate redevelopment in the Zone.
 - iii. New office and retail space should be concentrated around existing buildings.
 - iv. Any new construction, including parking structures, should include street level retail and service uses.
 - v. Encourage redevelopment of the upper levels of existing buildings as residential apartments and lofts and identify sites for new multi-family residential.
 - vi. Plan for the expansion of major institutional facilities in an orderly manner to minimize the impact on existing land uses.

- e. Encourage a zone that upholds Bismarck's heritage as well as recognizes and takes advantage of its pattern of development.**
 - i. Develop strategies for public and private financing of improvements.
 - ii. Identify potential developers and adaptive reuses for historically significant buildings.
 - iii. Promote historic and unique buildings to potential tenants and tourists.
 - iv. Encourage redevelopment within the provisions of the DC-Downtown Core and DF-Downtown Fringe zoning districts and the Downtown Design Guidelines (2015) that is at the same rhythm, scale, and mass as the existing buildings and circulation network in the Zone.

- f. Achieve high quality in the design and visual appearance of the Renaissance Zone.**

- i. Create a Zone framework that establishes urban, architectural, site design and signage guidelines that reinforce the unique, positive aspects of Bismarck's history and architecture.
 - ii. Utilize the following plans as the framework from which to base redevelopment decisions:
 - Central Business District Plan (1993)
 - Comprehensive Plan
 - Renaissance Zone Development Plan
 - Streetscape Guidelines for Downtown Bismarck (1995)
 - Historic Architectural Inventory and Evaluation of Downtown Bismarck, North Dakota (2000)
 - DC-Downtown Core and DF-Downtown Fringe Zoning Regulations (2006 and subsequent revisions)
 - Downtown Bismarck Subarea Plan (2013)
 - Downtown Design Guidelines (2015)
 - Infill and Redevelopment Plan (2017)
 - iii. Preserve the integrity of the city's architectural and open space landmarks including the Burleigh County Courthouse, historic Northern Pacific train depot, Belle Mehus City Auditorium, World War Memorial Building and the Patterson Hotel.
 - iv. Continue the implementation of a cohesive system of streetscape treatments that reinforce a sense of human scale and balance between pedestrian and automobile space.
 - v. Continue to encourage public art in the downtown streetscape and public spaces that contributes to Bismarck's unique character and sense of place.
 - vi. Continue efforts to promote compliance with the landscaping and screening ordinance and the overall greening of downtown through cooperative efforts with the City Forester and private property owners to increase vegetation within the Zone.
- g. Promote the Renaissance Zone as a location for increased housing opportunities.**
- i. Promote the Renaissance Zone as a location for new housing opportunities within the community.
 - ii. Continue public outreach and educational efforts to publicize the use of the Renaissance Zone Program for housing projects, including presentations to organizations such as the Bismarck-Mandan Apartment Association, Bismarck-Mandan Board of Realtors, engineering and architectural firms, the IDEA Center, Small Business Association, title companies and financial lenders.

- iii. Continue to support the creation of market-rate rental housing and owner-occupied housing choices to create balance in the downtown housing market.
- iv. Maintain a safe and attractive environment for downtown residents.
- v. Maintain the existing infrastructure and support improvements as needed to support an increased downtown population.
- vi. Support the implementation of a Quiet Rail Zone.
- vii. Support the continuation of existing retail and the establishment of new retail and service businesses that would bolster a downtown neighborhood, including a marketplace that offers basic food commodities including dairy products, fresh produce and general grocery items.

2. Concurrence with Comprehensive Plan

The Renaissance Zone program is intended provide a benefit to the entire community, and not just the businesses, residents, and property owners working and living within the Renaissance Zone boundary. In this respect, the goals and objectives of this Plan may be seen as supporting the broader plans of the City of Bismarck, as well as Burleigh County.

The Bismarck Board of City Commissioners have adopted a number of plans for growth and development, especially the Growth Management Plan (2014) and the Infill and Redevelopment Plan (2017). Together, these plans and others are considered the “Comprehensive Plan.” This Renaissance Zone Development Plan may be considered an integral component of this Comprehensive Plan. The goals for the Renaissance Zone are also consistent with the Central Business District Plan (1993) and the Downtown Bismarck Subarea Plan (2013) and other downtown-specific initiatives.

3. Targeted Properties

Properties and structures have been identified to be targeted as potential Renaissance Zone projects. A Needs Assessment was completed in 2016 to identify potential new Renaissance Zone projects. This document is attached as Appendix D.

4. Evaluation of Milestones and Benchmarks

The Renaissance Zone program is evaluated periodically to ensure adherence to program goals and objectives. Data is collected to provide a quantitative basis for the evaluation, recognizing that less tangible qualitative goals, such as community pride and high-quality design, should also be considered in an overall evaluation.

The Renaissance Zone Authority conducted a Return on Investment Evaluation in 2020, which is attached as Appendix E. This section of the Development Plan summarizes and updates these findings, as well as other relevant metrics.

- The Renaissance Zone program has encouraged private investment in the zone. Between 2004 and 2020, a total of 131 projects have been completed in the City of Bismarck adding \$65,252,599 in documented private investment to the downtown area.
- The Renaissance Zone program has spurred job creation. 602.25 full-time equivalent new jobs have been created by the participating businesses.
- The Renaissance Zone program has positively contributed to the property tax base for the City, County, Schools and Parks. After several years of stagnant or declining value, the assessed value of property in the Renaissance Zone increased by approximately 6.7% per year between 2005 and 2020. On average, the cost of the property tax incentive for rehabilitation Renaissance Zone projects in Bismarck is recouped within two years and three months after the property re-enters the tax rolls.
- The Renaissance Zone program has helped nurture entrepreneurship. Many projects have been small-scale rehabilitations or leases for new businesses – the median value of the rehabilitation projects has been \$261,000 in investment. A thriving business start-up culture has emerged with regular meetings held in downtown venues.
- The Renaissance Zone program has facilitated high-quality design. Although Downtown Design Review requirements are applied by ordinance regardless of participation in the Renaissance Zone program, property owners have expressed anecdotally that the incentives available have enabled them to use higher-quality design than would otherwise be feasible.
- The Renaissance Zone program has provided housing opportunities downtown. Seven residential condominiums were added to the downtown housing stock within the mixed-use building identified as Broadway Centre located at 100 West Broadway Avenue. An additional 30 age-restricted units were added in 2017 at 100 West Main Avenue. In 2017, a total of 492 housing units were counted in the downtown and fringe area. Although progress on this goal had been limited, four residential new construction projects were approved in the last two years. An additional 198 residential units are in the process of development through these approved Renaissance Zone projects.
- The Renaissance Zone program has reduced blight and deteriorated conditions. Several prominent new construction and rehabilitation Renaissance Zone projects have involved the removal of serious blighted conditions that were imposing a negative effect on surrounding properties and the Renaissance Zone as a whole.
- The Renaissance Zone has supported efficient use of public infrastructure. All of the aforementioned private investment utilizes roads, water, sewer, and stormwater infrastructure that is already in place, allowing the City to optimize revenue relative to public cost.

D. Administration and Management of the Renaissance Zone Program

The Renaissance Zone program will be administered according to standards and guidelines established in this Development Plan, along with state law and guidance from the State Division of Community Development and the Office of State Tax Commissioner.

1. Project Review and Selection Process

Each proposed Renaissance Zone project will be reviewed by the Renaissance Zone Authority according to the criteria established in this Plan. The review process will be used as a way to screen those projects qualifying for designation as a Renaissance Zone project.

a. Project Consultation and Application

Interested property owners or tenants are encouraged to contact staff for consultation before submitting an application. Applications, including supporting documents and an application fee to be set by the Bismarck Board of City Commissioners, are submitted to the Community Development Department.

If it is determined by staff that the application is complete and the proposed project generally meets the requirements for a Renaissance Zone project of the proposed type, a public hearing will be scheduled before the Renaissance Zone Authority at their next regularly scheduled meeting. A staff report detailing the project will be prepared for the Authority along with a staff recommendation for action. The staff report identifies the goals and objectives met by the project to determine the public benefit. A notice of the hearing will typically be placed in the official city newspaper once each week for two consecutive weeks prior to the hearing. A notice of hearing will typically also be sent to all property owners within 350 feet of the proposed project at least 10 days prior to the public hearing. Failure to adhere to these notice requirements does not invalidate any action conducted at the hearing.

b. Public Hearing with the Renaissance Zone Authority

Public hearings for projects will be conducted according to standard procedures and protocol, adopted by the Renaissance Zone Authority. Staff provides background information regarding the request as well as a staff recommendation, and the Chair of the Renaissance Zone Authority opens the public hearing. The applicant or his/her representative may make an oral presentation to the Authority. Other interested parties may also make oral presentations either supporting or opposing the application. In order to expedite the hearing process, it is suggested that any written materials and/or comments be submitted to the Community Development Department – Planning Division prior to the hearing. Following the hearing, the Renaissance Zone Authority will either continue deliberations to a future meeting or make a recommendation on the proposed project to the Bismarck Board of City Commissioners.

The Renaissance Zone Authority may, at their discretion, add conditions to any recommended approval. Unless stated otherwise, any conditions of an approval must be met prior to completion of a project. The Authority may also adjust the percentage of a property tax exemption for any Renaissance Zone project if and only if the project meets all minimum state requirements for project approval.

c. Final Action by the Board of City Commissioners

A recommendation from the Renaissance Zone Authority will be placed on the next available agenda of the Bismarck Board of City Commissioners. City staff will present the Renaissance Zone Authority recommendation to the Board of City Commissioners, who will have final City approval authority for all Renaissance Zone projects. Upon approval of a Renaissance Zone project by the City, the project must also be approved or tentatively approved by the North Dakota Department of Commerce - Division of Community Services.

d. Project Implementation and Completion

Community Development Department – Planning Division staff will continue to work with the applicant to ensure the project is completed as proposed and that all required documentation is submitted. Any material change to an approved Renaissance Zone project, including changes to building materials, building elevations or site design, must be approved by the Renaissance Zone Authority prior to implementation. City staff may grant minor alterations to a project scope upon request, as long as all program guidelines will still clearly be met and the alteration would not substantively change the outward appearance of the project.

Unless stated otherwise as a condition of project approval, all Renaissance Zone projects must be completed within 18 months of the date the project is tentatively approved by the North Dakota Department of Commerce - Division of Community Services. The recipient of the Renaissance Zone project may request an extension of this deadline, and the Renaissance Zone Authority is authorized to grant any extension to a date certain for good reason. It is the recipients' responsibility to request an extension.

After issuance of the final letter of completion, staff will administer an exit survey to the project applicant, with the purpose of evaluating the Renaissance Zone process and the degree to which the final investment decisions were influenced by the Renaissance Zone program. The results will be recorded and made available to the Renaissance Zone Authority or the general public.

2. Minimum Criteria for Project Selection

In order to qualify for consideration as a Renaissance Zone project, a project proposal must meet the following criteria. It should be noted that the project selection criteria for the City of Bismarck are above and beyond what is required by the State. Projects will not be accepted merely on the grounds that state Renaissance Zone eligibility standards are met. The intent of the criteria is to

encourage and reward significant levels of investment in properties and incentivize projects that create positive benefits for the entire Renaissance Zone area.

a. Minimum Criteria for All Projects

- i. The project and resulting use are consistent with the goals and objectives of this Development Plan.
- ii. The project is within the current boundary of the Bismarck Renaissance Zone.
- iii. The property or lease space has not received Renaissance Zone funding in the past. However, a lease of space within a building rehabilitated or constructed through a previous Renaissance Zone project and the rehabilitation of a property within which a previous lease Renaissance Zone project has been completed may be eligible.
- iv. All construction and renovation activities associated with a Renaissance Zone project must comply with all building code and zoning code requirements, including Downtown Design Review if the property is within the DC - Downtown Core or DF – Downtown Fringe zoning districts.
- v. The Renaissance Zone Authority may also apply Downtown Design Review, based on the Downtown Design Guidelines, in their review of Renaissance Zone projects that are outside of the DC - Downtown Core or DF – Downtown Fringe zoning districts.
- vi. The applicant for a Renaissance Zone project has satisfied all state and local tax obligations and tax liens of record for taxes owed to North Dakota or a political subdivision thereof, as required by NDCC § 54-35-26, at the time of application.
- vii. All required state forms, such as the Certificate of Good Standing and the Business Incentive Agreement, are completed and submitted before final approval.

b. Rehabilitation Projects

Rehabilitation projects are any rehabilitation of an existing building, whether commercial or residential. Projects that involve the demolition and reconstruction of a portion of a building may also be considered rehabilitation projects, as long as the overall footprint of the building is not increased. All rehabilitation projects must meet the following standards:

- i. Tentative approval by the State Department of Commerce – Community Development Division is secured before start of construction. No work completed prior to tentative approval of the project may be counted toward the required levels of investment.
- ii. Exterior rehabilitation is sufficient to eliminate any and all deteriorated conditions visible on the exterior of the building.

- iii. Projects include a level of investment totaling not less than **fifty percent (50%)** of the current true and full valuation of the building for commercial properties and a level of re-investment not less than **twenty percent (20%)** of the same value for single-family homes.

Single Family Residential Rehabilitation

**Capital Investment
(percent of assessed value)**

Property Tax Exemption

Less than 20%	0%
20% to less than 25%	20%
25% to less than 30%	40%
30% to less than 35%	60%
35% to less than 40%	80%
40% or greater	100%

- iv. Additionally, commercial projects include a minimum investment of **\$40 per square foot** for commercial projects or **\$30 per square foot** for multi-family residential projects in capital improvements based on the square footage of the entire building, including partial floors such as mezzanines but excluding basements unoccupied or used only for storage and any unoccupied penthouse space. The minimum investment for mixed-use projects is determined by a weighted average of the proportion of residential and commercial area to the total building area. For example, a project that is 80% commercial and 20% residential would require \$38 per square foot in investment. The same investment may be counted toward both the percentage and the square footage standards, and whichever standard is higher shall apply. The Renaissance Zone Authority may waive this provision for good reason.
- v. Additionally, single-family residential projects include a minimum investment of **\$25 per square foot** in capital improvements based on the square footage of the entire building, excluding unfinished basements. The same investment may be counted toward both the percentage and the square footage standards, and whichever standard is higher shall apply. The Renaissance Zone Authority may waive this provision for good reason.
- vi. Capital improvements are defined as all capital expenses of the project, including the cost incurred for the repair, replacement or renovation of a building’s exterior, roof, structure, electrical and/or plumbing systems, heating/ventilation/air conditioning systems, windows, exterior doors, elevator improvements and accessibility. The Renaissance Zone Authority may also consider other improvements that are a permanent and integral to the building, as well as site improvements needed to correct drainage problems that have resulted in damage to the building. Improvements to infrastructure or utility services outside of a building and improvements that are unique to a specific use and/or unlikely to be of use to future occupants of a building shall not be considered capital improvements.

- vii. Projects involving the rehabilitation of a single-family home or condominium must be the primary residence of the owner. Homeowners who occupy a portion of a duplex or townhome may be considered single-family for the purposes of this program. Verification of a person's primary residence is accomplished with a self-certification statement on the application form.
- viii. Projects that include a historic preservation and restoration activity must also be reviewed and approved by the State Historical Society, according to additional statewide criteria, in order to be eligible for additional tax credits.

c. New Construction Projects

New Construction projects are the construction of any new commercial and/or multifamily residential building or any addition to an existing commercial and/or multifamily residential building. New Construction projects must meet the following standards:

- i. Tentative approval by the State Department of Commerce – Community Development Division is secured before start of construction. No work completed prior to tentative approval of the project may be counted toward the required levels of investment.
- ii. New construction projects include a minimum investment of **\$150 per square foot** for commercial projects or **\$100 per square foot** for residential projects in capital investment based on the square footage of all floor area of the entire building. The minimum investment for mixed-use projects is determined by a weighted average of the proportion of residential and commercial area to the total building area. For example, a project that is 80% commercial and 20% residential would require \$140 per square foot in investment. The Renaissance Zone Authority may waive this provision for good reason.
- iii. In order to be eligible for a state income tax exemption for the property owner of any newly-constructed single-family residential property, including condominiums, the owner must be the primary occupant of the residential unit. Verification of a person's primary residence would be accomplished with a self-certification statement on the application form.
- iv. New construction of accessory buildings is generally not eligible, with the exception of new accessory dwelling units to single-family homes.

d. Purchase with Improvement Projects

Purchase with Improvement projects are the transfer of property to a new owner with significant capital improvement of that property. Purchase with Improvement projects must meet the following standards:

- i. Tentative approval by the State Department of Commerce – Community Development Division is secured before the property is transferred to the new owner.

- ii. Projects are eligible for a benefit based on the level of investment as a percentage of the true and full valuation of the building according to the following table. The Renaissance Zone Authority has the discretion to deviate from these guidelines on a case-by-case basis if specific building condition and/or other project specific factors warrant.

Capital Investment (percent of assessed value)	Property Tax Exemption
Less than 10%	0%
10% to less than 20%	40%
20% to less than 35%	60%
35% to less than 50%	80%
50% or greater	100%

By state guidelines, the capital investment must exceed 50% of assessed value to qualify for an income tax exemption.

- iii. Capital improvements are defined as all capital expenses of the project, including the cost incurred for the repair, replacement or renovation of a building’s exterior, roof, structure, electrical and/or plumbing systems, heating/ventilation/air conditioning systems, windows, exterior doors, elevator improvements and accessibility. The Renaissance Zone Authority may also consider other improvements that are a permanent and integral to the building, as well as site improvements needed to correct drainage problems that have resulted in damage to the building. Improvements to infrastructure or utility services outside of a building and improvements that are unique to a specific use and unlikely to transfer to future occupants of a building shall not be considered capital improvements.

e. Commercial Lease Projects

Commercial Lease projects are the lease and occupation of a commercial space within a building by a non-owner tenant that meets the following standards:

- i. The tenant is a new or expanding business moving into the Renaissance Zone, an existing business expanding within the Renaissance Zone, or the continuation of a lease by an existing Renaissance Zone tenant in a building rehabilitated as an approved Renaissance Zone project.
- ii. Tentative approval by the State Department of Commerce – Community Development Division is secured before the occupation of the lease space and start of business by the tenant.
- iii. If the lease space is within a building previously rehabilitated or constructed as an approved Renaissance Zone project no minimum level of investment is required for lease projects. Otherwise, the following additional standards must be met:

- a. The lease project includes a minimum investment of \$40 per square foot in capital improvements or permanent cosmetic improvements based on the square footage of the entire lease space.
- b. The building within which the lease project is proposed does not contain any known structural deficiencies or deteriorated conditions visible on the exterior of the building that may compromise the investment made in the lease space. The Renaissance Zone Authority may require an inspection or owner's affidavit if there is reason to believe such deficiencies may exist.

f. Utility Infrastructure Projects

Utility infrastructure projects are Rehabilitation, New Construction, or Purchase with Improvements projects that include rehabilitation of public infrastructure, including the burying of utility lines, as a component of the project.

- i. The utility rehabilitation must be proposed by a regulated public utility that includes, but is not limited to, electrical, gas and communications, for the purpose of rehabilitating infrastructure in the Renaissance Zone or burying existing utility lines. It does not apply to utility infrastructure that a property owner pays special assessments to the City for a specified period of time such as water, sewer or pavement improvements.
- ii. A minimum of 80% of the project investment must be used toward capital improvements to the building and a maximum of 20% of the project investment can be used toward undergrounding utilities. The overall project investment must meet the established minimum investment criteria for the type of project specified.
- iii. The Community Development Department will monitor all public infrastructure projects through on-site building inspections conducted in conjunction with the rehabilitation projects. Additionally, all Renaissance Zone project costs and expenses must be verified prior to the submittal of final project documentation to the North Dakota Department of Commerce - Division of Community Services.
- iv. Applicants for public infrastructure projects are eligible to receive up to 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
- v. City of Bismarck agrees to work with the State Board of Equalization to determine the property tax exemption for utility projects.

3. Administrative Roles and Responsibilities

Certain roles and responsibilities for administration of the Renaissance Zone program are assigned to various parties. Administration and management of the Bismarck Renaissance Zone program will be conducted by an appointed Renaissance Zone Authority and staff primarily from the City of

Bismarck Community Development Department – Planning Division, under the authority of the Bismarck Board of City Commissioners.

a. Renaissance Zone Authority

The Renaissance Zone Authority is an advisory body to the Board of City Commissioners, given the role of establishing and revising program guidelines and reviewing all applications and/or proposals for Renaissance Zone approval. The Authority is comprised of seven voting members and two non-voting technical advisors, described as follows:

- One voting member of the Board of City Commissioners
- Six voting members appointed by the Mayor and approved by the Board of City Commissioners
- Two non-voting technical advisors appointed by the voting members of the Renaissance Zone Authority

The appointments of members are staggered with a term of three years. The appointment runs concurrent with the Commissioner's term in office. The Renaissance Zone Authority is governed according to adopted bylaws which are attached as Appendix F.

The Renaissance Zone Authority will hold regular monthly meetings to hear and discuss applications and proposed projects. In addition to project selection, the Renaissance Zone Authority is tasked with reviewing and revising, as necessary, program requirements and guidelines, participating in the promotion and marketing of the program, and directing City staff to prepare revisions to this Development Plan.

b. City of Bismarck Staff

Staff from the Community Development Department – Planning Division will provide the primary administrative support to the Renaissance Zone Authority.

Planning staff is responsible for dissemination of information about the program, the intake and initial screening of applications for Renaissance Zone projects, preparation of amendments to this Development Plan and any City ordinances relevant to the program, maintenance and presentation of data on the program, evaluation of program effectiveness through an exit survey and other methods, preparation of annual reports to the State Department of Commerce, and presentation of Renaissance Zone Authority recommendations to the Board of City Commissioners. Planning staff will also function as the primary liaison between staff at the state level and the Renaissance Zone Authority.

Staff from other City departments have a supportive role in program administration. The Finance Department - Assessing Division implements all approved local property tax exemptions, and the City Attorney's Office advises the Renaissance Zone Authority on legal matters.

Staff will also periodically verify that completed residential projects remain owner-occupied for the duration of the five-year tax exemption period, with use of available

public data. Properties that are verified as no longer owner-occupied will be removed from the Renaissance Zone program. Staff will also work with the Burleigh County Auditor in such situations where a completed project becomes delinquent on taxes after approval.

Staff will verify pre-existing tax clearance at the time of application, in compliance with NDCC § 54-35-26, through several means. Income tax clearance will be verified through a Certificate of Good Standing form obtained from the State Tax Commissioners Office. Property tax clearance will be verified through self-disclosure by the applicant. Additionally, staff will verify that all properties owned by the applicant in Burleigh County are not tax delinquent, and staff will take appropriate action should staff be made aware of tax delinquencies from other political subdivisions.

c. City of Bismarck Board of City Commissioners

The Board of City Commissioners retains ultimate authority over local administration of the Bismarck Renaissance Zone program. All projects recommended for approval by the Renaissance Zone Authority are presented to the Board of City Commissioners for final action. The Board of City Commissioners also reviews and takes final action on any revisions to this Development Plan.

4. Promotion and Marketing of the Renaissance Zone Program

Promotion and marketing of the Renaissance Zone program is an important part of implementing the Development Plan and sustaining the program. Promotion efforts will be coordinated between the Community Development Department – Planning Division, members of the Renaissance Zone Authority, The Downtown Business Association, property owners, developers, commercial realtors and other business organizations.

The Renaissance Zone program is promoted through the following methods:

- An active page on the City of Bismarck website that includes updated and relevant information regarding the program.
- The availability of an information guide that provides a more concise description of the requirements and review process outlined in the Development Plan.
- Presentations to civic and professional groups with an interest in the Renaissance Zone program.
- Preparation of data and analysis of the costs and benefits of the Renaissance Zone program upon request.
- Periodic mailings to properties within the Renaissance Zone area or areas considered for possible expansion of the Renaissance Zone.

It is important to note that the City of Bismarck is a partner in promoting the Renaissance Zone Program, but not to the extent that the City's efforts will supplant the responsibility of property owners and developers to create and promote projects.

5. Potential Future Renaissance Zone Program Revisions

The state enabling legislation for Renaissance Zone programs includes certain features that the City of Bismarck has opted not to exercise at this time. The Renaissance Zone Authority may take advantage of these options through future revisions to this Development Plan.

The City of Bismarck does not currently utilize all blocks available by state law. According to the 2017 U.S Census Estimate, the population of the City of Bismarck is 72,865. A city of this population is allotted 47 blocks (34 blocks plus 1 block per additional 5,000 population). The City of Bismarck Renaissance Zone boundary currently utilizes 42.5 blocks, with a remaining 4.5 blocks available.

If sufficient interest from property owners and businesses becomes evident, the Renaissance Zone Authority may consider a future expansion of the boundary. State law allows up to three blocks of a Renaissance Zone to be non-contiguous with the rest of the Renaissance Zone. At this time, the Renaissance Zone Authority has chosen not to utilize this option, although may choose to in the future.

The City of Bismarck has, at the present time, elected not to create a Renaissance Fund Organization. The City of Bismarck does, however, reserve the right to create, develop or contract with a Renaissance Fund Organization in the future.

E. Evidence of Community Support

There is broad-based support for the Renaissance Zone from residential and business interests. Appendix G includes letters of support submitted from:

- City of Bismarck Parks and Recreation District
- Burleigh County Commission
- Bismarck Public Schools Board
- Bismarck Mandan Development Association
- Bismarck Mandan Chamber of Commerce
- Bismarck Downtown Business Association

At the time the letters were submitted, the Bismarck Mandan Development Association and the Bismarck Mandan Chamber of Commerce were separate entities. The two organizations have since been merged.

The attached letters of support meet and exceed requirements of the state law. The Renaissance Zone Authority and staff will work to preserve and grow this community support by furthering the goals and objectives of this Development Plan.