



# CITY OF BISMARCK RENAISSANCE ZONE DEVELOPMENT PLAN

Submitted by the Bismarck  
Renaissance Zone Authority

**JUNE 13, 2024**

# City of Bismarck Renaissance Zone Development Plan

## Revision History

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## Contents

A. Introduction .....	4
B. Definitions .....	5
C. Description of Bismarck’s Renaissance Zone .....	7
1. Downtown Bismarck .....	7
2. History of the Bismarck Renaissance Zone Program .....	8
3. Property Descriptions.....	11
4. Geographic Boundaries and Blocks of the Renaissance Zone.....	11
5. Description of Assets within the Renaissance Zone .....	12
D. Goals and Objectives of the Renaissance Zone Program.....	13
1. Goals and Objectives.....	13
2. Concurrence with Comprehensive Plan .....	16
3. Targeted Properties .....	17
4. Evaluation of Milestones and Benchmarks.....	17
E. Administration and Management of the Renaissance Zone Program .....	19
1. Project Review and Selection Process.....	19
2. Minimum Criteria for Project Selection .....	20
3. Project Benefits.....	25
4. Administrative Roles and Responsibilities.....	27
5. Promotion and Marketing of the Renaissance Zone Program .....	29
6. Potential Future Renaissance Zone Program Revisions .....	29
F. Development Plan Amendments .....	32
G. Evidence of Community Support .....	33

## Appendices

Appendix A: Memorandum of Agreement between City and State for Continuation of Program

Appendix B: Map of Renaissance Zone Boundaries

Appendix C: Description of Properties

Appendix D: Renaissance Zone Needs Assessments (2016)

Appendix E: Renaissance Zone Program Return on Investment Evaluation (2020)

Appendix F: Bylaws for the Renaissance Zone Authority

Appendix G: Evidence of Community Support

## 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 (DCS) 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 January 3, 2025 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:

### **Renaissance Zone Authority**

Jim Christianson, Chair

Joe Fink, Vice Chair

Greg Zenker, City Commissioner

Dustin Gawrylow, Member

Kirsten Dvorak, Member

Nancy Guy, Member

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David Witham, Design Advisor

Eric Hoffer, Design Advisor

### **Board of City Commissioners**

Mike Schmitz, Mayor

Anne Cleary

Steve Marquardt

Michael Connelly

Greg Zenker

## B. Definitions

The following terms are defined here for use within this Renaissance Zone Development Plan:

**Authority:** Renaissance Zone Authority.

**Baseline Value:** the Current Taxable Value of the property at the time of project application, as set by City Assessing and approved by the State Board of Equalization, unless adjusted according to criteria of this Plan.

**Capital Improvements:** 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 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.

**City:** City of Bismarck, North Dakota, public and corporate.

**City Commission:** Bismarck Board of City Commissioners.

**Current Taxable Value:** True and full taxable value of a project's parcel(s), including both land and improvements, most recently set by the City of Bismarck and recognized by the North Dakota Board of Equalization.

**DCS:** The State of North Dakota's Department of Commerce Division of Community Services.

**Final Improvement Value:** the taxable value of the property, as set by City Assessing and approved by the State Board of Equalization, in the first year after Project Completion.

**Historic Building:** Any building contributing to an historic district on the National Register of Historic Places, individually listed on the National Register of Historic Places, or greater than 50 years in age and deemed historic by the Authority.

**Increment Value:** The difference between Baseline Value and Final Improvement Value of a project.

**Plan:** City of Bismarck's Renaissance Zone Development Plan, unless otherwise referenced.

**Political Subdivision(s):** Collectively plural, singularly each of its own, City of Bismarck, Burleigh County, Bismarck Public Schools, and Bismarck Park District.

**Project Completion:** Issuance of a Letter of Final Approval by DCS to the City, which is forwarded to the applicant. City staff will deem a project complete if the initial scope of work presented to the City Commission, including any conditions attached to the approval, is completed and all necessary permits, such as a certificate of occupancy, are granted for the primary occupancy of the building. It is not necessary for all commercial lease spaces to be built-out and occupied prior to Project Completion.

**Staff:** City of Bismarck's Community Development Department - Planning Division.

**Single-Family Dwelling:** A single-family detached home, townhouse, single unit in a duplex, or a condominium.

**Tentative Approval:** Issuance of a Letter of Tentative Approval by DCS to the City, which is forwarded to the applicant. Projects are tentatively approved once initial review by the City and DCS is completed and the project construction may commence.

## **C. 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, 7<sup>th</sup> Street, and 9<sup>th</sup> 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 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 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 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 City Commission 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 26<sup>th</sup> 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 DCS in May of 2001. The first projects received hearings and were selected by the 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.

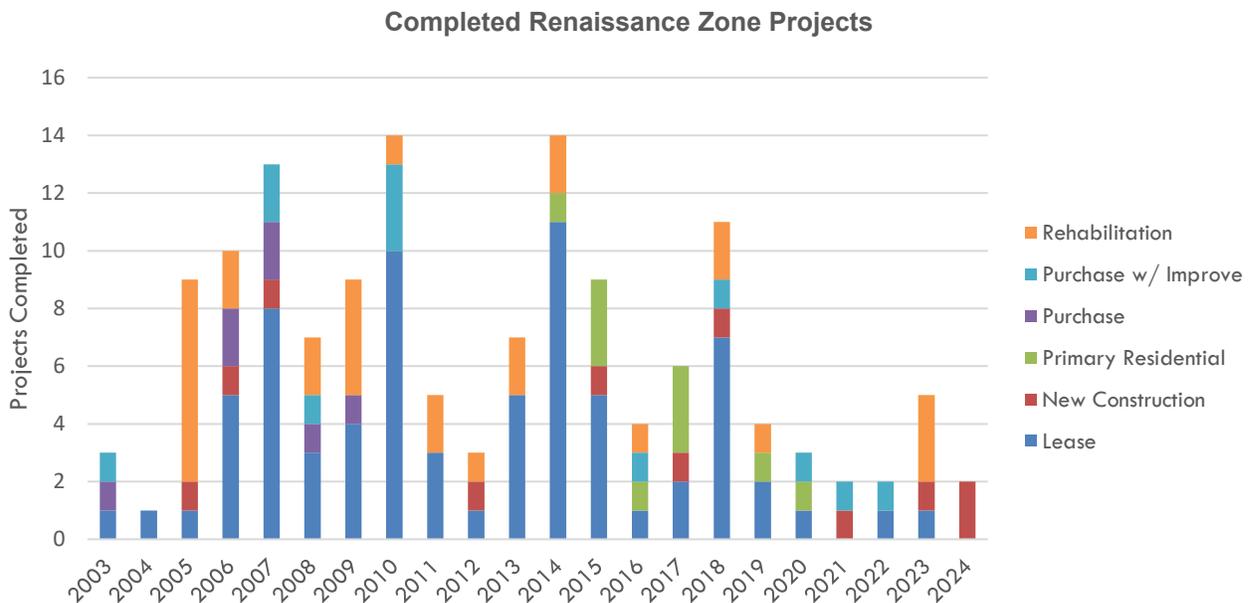


Figure 1: Completed Projects by Type and by Year

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 Authority determined the additional blocks allowed by this change to the enabling legislation would not be implemented at that time. The Authority added one additional block in 2017 between Main Avenue and the railroad tracks and west of North 1<sup>st</sup> 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 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.

In 2021, the Authority opted to create a Boundary Modification Plan and offer advanced notice to property owners regarding blocks proposed for expansion or completion. In November 2021, property owners within several existing blocks were notified of potential completion, and the Authority held a public hearing in May 2022. During this hearing, three blocks were completed and one block was added. Taking into account provisions for half blocks, the total amount of blocks uses was reduced to 41.5.

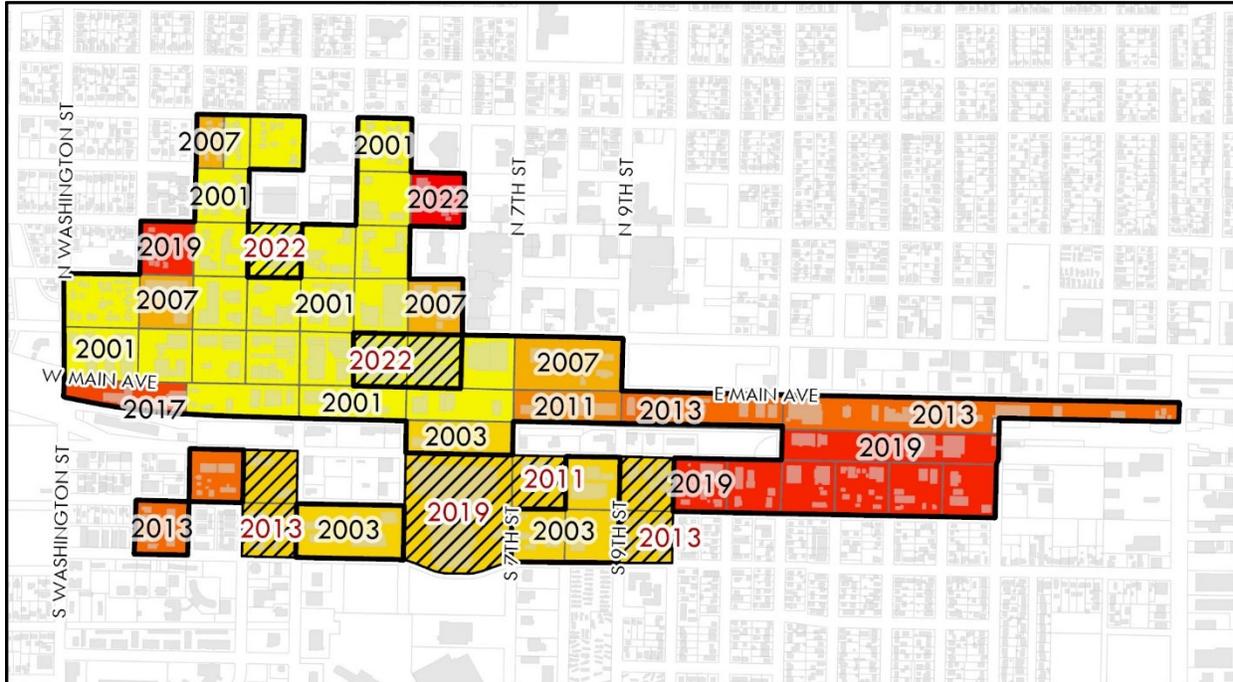


Figure 1: Modifications of Boundary. Year added in **black**; Year completed in **red**

c. Extension of the Renaissance Zone Program

After 21 years of operation, the Bismarck Renaissance Zone was discontinued on August 1, 2022 due to a lack of community support provided by all required political subdivisions. Projects were underway or completed during this period, but no new applications were reviewed by the Authority. State law was amended to allow municipalities with discontinued Renaissance Zones to be reinstated in the same manner as initial adoption. The necessary community support was received from all political subdivisions to reinstate the program in December of 2023, with commitments to make certain changes to this Plan and Bismarck City Code of Ordinances.

The Bismarck Renaissance Zone Program was reinstated on January 4, 2024 and began soliciting new projects again upon completion of an agreement between the City and the DCS, which is attached as Appendix A.

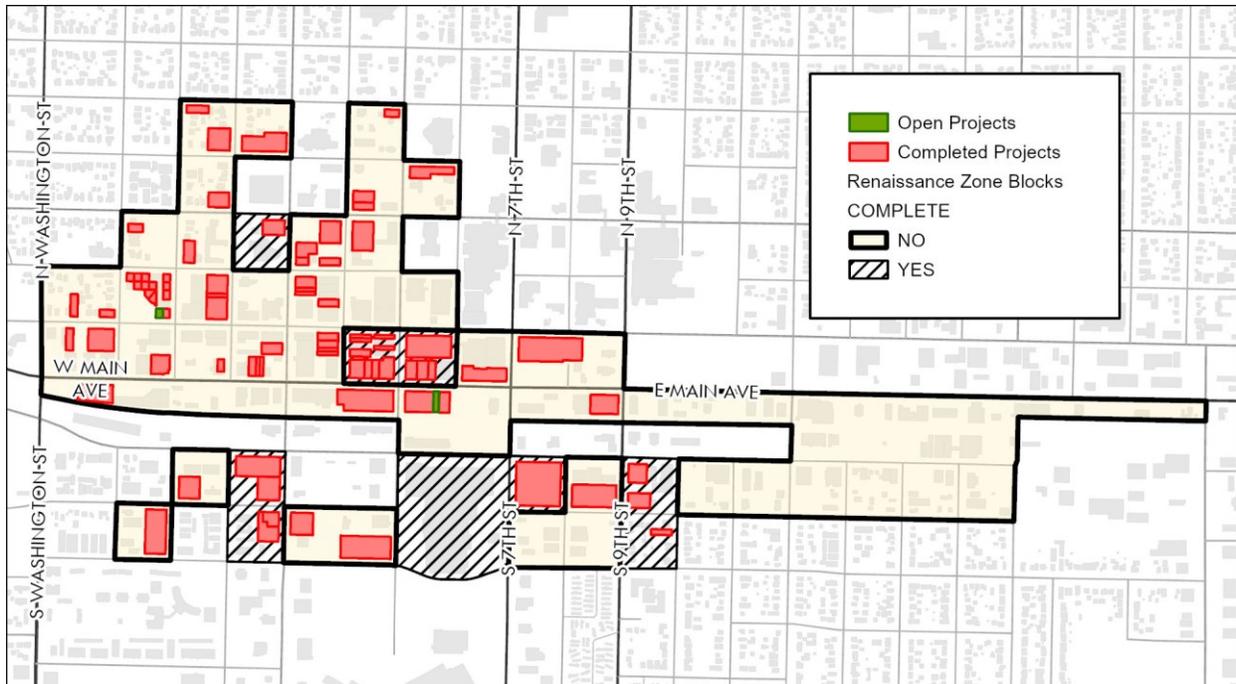


Figure 2: Open or Completed and Approved Renaissance Zone Projects

### 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, 49, 50, 51, 52, 54, 56, 58, 59, 60, 62, 64, 65, 66, 67, 68, 73, 75, 84, 104, 106, , 110, 112, 116, 122, and 124 Original Plat
- Block 25, Northern Pacific Second Addition
- Blocks 17-20, Sturgis Addition
- Blocks 29, 31, and 33, Williams Survey Addition
- Tracts along the south side of Main Avenue between South 9<sup>th</sup> Street and Airport Road in Williams Survey, Sturgis Addition and Governor Pierce Addition

- Tracts bounded by East Front Avenue, South 12<sup>th</sup> 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, the blocks identified by a number and the letter “E” were added in 2019, and the block identified by a number and the letter “F” was added in 2022.

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, 22, 23, 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 Plan to promote the growth and redevelopment of the downtown area through, among other strategies, the preservation and improvement of such assets.

## D. 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 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, while minimizing the overall amount of land dedicated solely to parking when possible.
  - 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.
  - v. Provide for multi-modal access to and within the Zone such as bicycle connections and parking as well as public transportation access.
- 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 Multifamily 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 that is within the provisions of the DC-Downtown Core and DF-Downtown Fringe zoning districts and the Downtown Design Guidelines (2015)
- 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:
    - Together 2045 Comprehensive Plan (2022)
    - Renaissance Zone Development Plan
    - 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)
    - Downtown Streetscape Standards (2021)
  - 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, as well as housing at different levels of affordability to ensure that downtown is a home for all.
  - 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 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 to 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, as well as Burleigh County.

The City Commission adopted the Together 2045 Comprehensive Plan on December 27, 2022. The following goals and objective of this plan are relevant to the performance of the Renaissance Zone program:

- Encourage excellence and innovation in local architecture, particularly in areas of high visibility such as downtown, and along major corridors (S2d)
- Increase efficiency of urban land use to maximize public investment in infrastructure and services thereby reducing cost for tax and ratepayers (S4a)
- Embrace the unique role of downtown in the social and economic life of the community (S7)

- Allow older buildings to be adaptively reused for new purposes while still protecting life and safety through application of the existing building code (S9b)
- Apply urban design practices promoted in this plan to establish developments that add value, rather than detract from, their surroundings (G1a)
- Encourage additional housing in the center of the community to support activity and eyes on the street for the majority of the day and night (G1d)
- Provide financial investments and other incentives to revitalize older and potentially disinvested areas of the city, identified as CORE areas on the Growth Phasing Plan (G8d)

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

- The Renaissance Zone program has encouraged private investment in the zone. From the first completed project (2004) to present, a total of 143 projects have been completed in the City adding \$108,062,977 in documented private investment to the downtown area.
- The Renaissance Zone program has spurred job creation. 610.25 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 has been 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 \$491,295 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. New housing construction was an early goal of the program, but success was slow at first. Only 47 new housing units were created between 2004 and 2017. In 2017, a total of 492 housing units were counted in a survey of the Downtown Core and Downtown Fringe areas. Since this time, a total of 203 housing units have been created through four separate Renaissance Zone projects. All buildings are completed and now occupied.
- 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.

## **E. Administration and Management of the Renaissance Zone Program**

The Renaissance Zone program will be administered according to standards and guidelines established in this 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 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 City Commission, 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 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 Authority**

Public hearings for projects will be conducted according to standard procedures and protocol, adopted by the Authority. Staff provides background information regarding the request as well as a recommendation, and the Chair of the Authority opens the public hearing. The applicant or applicant's 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 Authority will

either continue deliberations to a future meeting or make a recommendation on the proposed project to the City Commission.

The 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 Authority will be placed on the next available agenda of the City Commission. Staff will present the Authority recommendation to the City Commission, who will have final City approval authority for all Renaissance Zone projects. Upon approval of a Renaissance Zone project by the City Commission, the project must also be approved or tentatively approved by DCS.

d. Project Implementation and Completion

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 Authority prior to implementation. 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 indicated within the project's Tentative Approval. The recipient of the Renaissance Zone project may request an extension of this deadline, and the Authority is authorized to grant any extension to a date certain for good reason. It is the recipients' responsibility to request an extension.

After Project Completion, Staff will administer an exit survey to the 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 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 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 community.

a. Minimum Criteria for All Projects

- i. The project and resulting use are consistent with the goals and objectives of this 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 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, 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 is secured before start of construction. No work completed prior to Tentative Approval of the project may be included in the total investment required to qualify .

- 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 Capital Improvement totaling not less than **fifty percent (50%)** of its Current Taxable Value for a parcel which is primarily commercial in nature and a level of Capital Improvement not less than **twenty percent (20%)** of its Current Taxable Value for a Single-Family Residence.

**Single-Family Residence Rehabilitation**

**Capital Improvement  
(percent of Current Taxable  
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 Capital Improvement of **\$40 per square foot** or **\$30 per square foot** for Multifamily Residential projects 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 Capital Improvement 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 Authority may waive this provision for good reason.
- v. Additionally, Single-Family Residence projects include a minimum investment of **\$25 per square foot** in capital investment 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 Authority may waive this provision for good reason.

- vi. Projects involving the rehabilitation of a Single-Family Residence 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.
- vii. 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 residential building or any addition to an existing commercial and/or residential building. New Construction projects must meet the following standards:

- i. Tentative approval by the DCS 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 Improvement 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 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 Residential parcels.

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 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 Current Taxable Value according to the following table. The 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.

<b>Capital Improvement (percent of assessed value)</b>	<b>Property Tax Exemption</b>
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 total amount of Capital Improvement must exceed 50% of the Current Taxable Value to qualify for an income tax exemption.

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 is secured before the occupation of the lease space and start of business by the tenant.
- iii. If the leased space is within a building previously rehabilitated or constructed as an approved Renaissance Zone project, no minimum level of Capital Improvement is required. Otherwise, the following additional standards must be met:
  - a. The lease project includes a minimum investment of \$40 per square foot in Capital Improvement 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 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 total project investment must be used toward Capital Improvement to the building. The total project investment must meet the established minimum investment criteria for the type of project specified.
- iii. Staff 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 DCS.
- iv. Applicants for public infrastructure projects are eligible to receive the same benefits as other approved Renaissance Zone projects, as outlined in the following section.
- v. City agrees to work with the State Board of Equalization to determine the property tax exemption for utility projects.

### 3. Project Benefits

Qualified projects approved by the City Commission and DCS are entitled to receive the benefits as outlined herein, unless adjusted to a lower amount by the City Commission during the project review process.

- a. Income Tax Exemption

All approved projects may receive an exemption from state income tax derived from the property for a period of five years, beginning on the month a project achieves Project Completion. Property owners claim the income tax exemption annually through use of proper forms submitted with their returns. Income tax exemptions are not administered or tracked by the City, and detailed conditions and procedures are set by the North Dakota Office of State Tax Commissioner.

b. Property Tax Exemption

All approved projects receive an exemption from a portion of property taxes assessed to the project's parcel(s) for a period of five years after Project Completion. The City wishes to exercise the option allowed by State law to grant partial Renaissance Zone tax exemptions.

The Bismarck Assessing Department registers the property tax exemption upon Project Completion, with no further action from the applicant necessary. Property tax assessments are applied annually. Projects that are deemed complete by February 1 will begin the five-year exemption period on that tax year. Project deemed complete after February 1 will begin the five-year exemption period on the following tax year.

The value of the property tax exemption for each project is determined through the following steps.

- i. Baseline Value of the property is determined during initial project review by the Authority and City Commission. By default, the Baseline Value is the Current Taxable Value of the property at the time of project application, as set by City Assessing and approved by the State Board of Equalization. Notwithstanding, Baseline Value may be adjusted by the Authority and City Commission to account for any complete or partial demolition of the property's current improvements proposed in the scope of work or recently completed. The extent of adjustment made should be based on the following considerations:
  - a. Demolition of Historic Buildings should be discouraged.
  - b. Demolition of buildings presenting a hazard to public safety, clear blighting impact, or other evidence of poor condition should not be discouraged.
  - c. The Authority may utilize previous years of Taxable Value to account for recent demolitions reflected in the Current Taxable Value.

- ii. Final Improvement Value of the property will be estimated during initial project review based on the proposed scope of work and project costs submitted by the applicant, and this estimate will be reported to the Authority and City Commission. The actual Final Improvement Value will not be known until the tax assessment following Project Completion.
- iii. Increment Value is the difference between Baseline Value and Final Improvement Value of a project.
- iv. The total value of the property tax exemption granted through the Renaissance Zone will be the taxes derived from the entire Increment Value. Baseline Value will remain fully taxable throughout the five-year exemption period for all Political Subdivisions.

#### **4. 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 Authority and Staff under the authority of the City Commission.

##### **a. Renaissance Zone Authority**

The Authority is an advisory body to the City Commission 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 nine voting members and two non-voting design advisors, described as follows:

- One voting member of the City Commission, appointed by the City Commission.
- Five voting at-large members appointed by the City Mayor and approved by the City Commission
- One voting member of the Burleigh County Commission, appointed by the Burleigh County Commission
- One voting member of Bismarck Public Schools Board, appointed by the Bismarck Public Schools Board
- One voting member of the Bismarck Park Board, appointed by the Bismarck Park Board.
- Two non-voting design advisors appointed by the voting members of the Authority.

The appointments of at-large members are staggered with a term of three years. The appointments of members of boards and commissions run concurrent with

that appointed member's term with that Political Subdivision, unless that board or commission selects an alternative appointee.

In the case that the County, School Board, or Park Board choose not to appoint a member to the Authority, the City Commission shall have the option to appoint an additional at-large member for a three-year term. That board may again choose to appoint a member upon expiration of the term of the at-large member appointed by the City Commission in this manner.

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

The Authority is governed according to adopted bylaws which are attached as Appendix F.

b. City of Bismarck Staff

Staff will provide the primary administrative support to the Authority.

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 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 DCS, and presentation of Authority recommendations to the City Commission. Staff will also function as the primary liaison between DCS and the Authority.

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 Authority on legal matters.

Staff will also periodically verify that completed Single-Family Residence projects remain owner-occupied for the duration each project's 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 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 City Commission retains ultimate authority over local administration of the Bismarck Renaissance Zone program. All projects recommended for approval by the Authority are presented to the City Commission for final action.

## **5. Promotion and Marketing of the Renaissance Zone Program**

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

The Renaissance Zone program is promoted through the following additional methods:

- An active page on the City 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 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 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.

## **6. Potential Future Renaissance Zone Program Revisions**

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

a. Modifications of Renaissance Zone Boundaries

The City does not currently utilize all blocks available by state law. According to the 2020 U.S Census, the population of the City is 73,622. A city of this population is allotted 47 blocks (34 blocks plus 1 block per additional 5,000 population). The City Renaissance Zone boundary currently utilizes 41.5 blocks, with a remaining 5.5 blocks available.

If sufficient interest from property owners and businesses becomes evident, the 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 Authority has chosen not to utilize this option, although may choose to in the future.

The Authority wishes to plan future boundary modifications, whether the addition of new blocks into the Zone or the completion of certain blocks within the Zone, well in advance of implementing changes, allowing property owners the ability to consider potential improvements to their property within a known timeframe.

The Authority will review a boundary modification plan at least annually. Blocks within the future expansion or completion areas will be considered for action, and future areas will be adjusted accordingly. All changes to the boundaries will be approved by the City Commission in the form of a revision to the Plan.

Establishing boundaries well in advance of prospective development is essential to the effectiveness of the program. While the Authority may receive requests from property owners to extend boundaries to support a proposed project, such a request may not be considered as a sole reason for boundary modification.

The following criteria will be used for any expansion:

1. The addition of the block(s) will further the goals and objectives of this Plan.
2. The addition of the block(s) will not exceed the total allowable blocks for the Renaissance Zone, either in the core contiguous area or any allowed non-contiguous blocks.
3. The proposed block(s) include evident disinvestment and redevelopment potential, as indicated by building condition, building-to-land-value ratios, rate of change in assessed value, age of buildings, zoning, or other evidence.
4. Sufficient property subject to property tax liability exists or is anticipated to exist within the proposed block(s) to allow utilization of the program
5. Sufficient public infrastructure currently exists, or is underway or planned, to support any envisioned redevelopment.

The following criteria will be used for any completions:

1. All owners within the block(s) have been given a one-year written notice of the intent to complete the block and an opportunity to voice any concerns to the Authority in a public hearing.
2. The block has been within the Renaissance Zone for at least three years.
3. A significant portion of the block(s) is either ineligible, due to a previous Renaissance Zone project or current public/non-profit ownership, or has limited property owner interest.

## **F. Development Plan Amendments**

This Plan may be amended at any time, according to the procedures of this section. The Authority will hold a duly-noticed public hearing to solicit input and review any proposed amendment to the Plan, including text amendments or modifications to the Renaissance Zone boundary. After the public hearing, the Authority provides a recommendation on the proposed amendment to the City Commission. Only amendments with a recommendation to approve will proceed.

The recommended amendment is submitted to the next available regularly-scheduled meeting of the City Commission for their consideration and potential adoption. If adopted by the City Commission, the amendment will be submitted to the Burleigh County Commission, Bismarck Public Schools Board, and Bismarck Park Board for potential support during their next available regularly-scheduled meeting. The requests shall be sent concurrently, with the order of board reviews determined only by the scheduling of each agenda. Alternatively, a special meeting of multiple boards may be convened, upon mutual agreement, for the purpose of adoption/support of the Plan.

An amendment shall become adopted only if adopted by the City Commission and supported by all political subdivisions. Upon final adoption, the amendment is forwarded to DCS for review according to state law. It shall take effect upon final approval by DCS. Projects will follow the effective Plan in place at the time of submittal of project application.

## **G. Evidence of Community Support**

There is broad-based support for the Renaissance Zone from residential and business interests. Appendix G includes letters of support or minutes submitted in 2024 from:

- Bismarck Public Schools Board
- Burleigh County Commission
- Bismarck Parks and Recreation District

The Authority and Staff will work to preserve and grow this community support by furthering the goals and objectives of this Plan.