

**BISMARCK RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
April 21, 2022**

The Bismarck Renaissance Zone Authority met on April 21, 2022 in the Tom Baker Meeting Room in the City-County Office Building at 221 North 5th Street and remotely via the online platform Zoom. The meeting was postponed one week due to inclement weather. Chair Christianson presided.

Authority members present were Jim Christianson, Mike Connelly, Joe Fink, Dustin Gawrylow, Todd Van Orman, Curt Walth and Greg Zenker.

Design Advisor David Witham was present.

Design Advisors Eric Hoffer and Bruce Whittey were absent.

Staff members present were Sandra Bogaczyk (Office Assistant II), Jannelle Combs (City Attorney), Ben Ehreth (Community Development Director) and Daniel Nairn (Senior Planner).

Guests present were Dawn Kopp (The Downtowners and Artist) and David Witham (Developer).

CALL TO ORDER

Chair Christianson called the meeting to order at 4:02 p.m.

MINUTES

The minutes of the February 10, 2022 meeting were distributed prior to the meeting. Corrections were suggested and corrected.

MOTION: A motion was made by Mr. Fink and seconded by Mr. Zenker to approve the minutes of the February 10, 2022 meeting. The motion passed unanimously by voice vote with members Connelly, Fink, Gawrylow, Van Orman, Walth, Zenker and Chair Christianson voting in favor.

**RENAISSANCE ZONE PROJECT - 114 NORTH 3RD STREET
TRANSITION FLORIDA, LLC – PRINCE HOTEL EXTENSION REQUEST**

Mr. Nairn gave an overview of the staff report and stated that the applicant, Transition Florida, LLC, is requesting an extension of the approved April 30, 2022 deadline for a Rehabilitation Renaissance Zone project approved October 29, 2020. The applicant is requesting an extension to December 31, 2022 and Mr. Nairn stated that work has not stopped on the site but the project requires a few more months to complete.

Mr. Nairn stated that, based on the findings contained in the staff report, staff recommends granting an extension of the deadline to complete the Rehabilitation Renaissance Zone project for the 4-story mixed use building known as the Prince Hotel at 114 North 3rd Street until December 31, 2022.

MOTION: A motion was made by Mr. Zenker and seconded by Mr. Fink to approve a deadline extension to December, 31, 2022 for the Rehabilitation Renaissance Zone project at 114 North 3rd Street. The motion passed unanimously with members Connelly, Fink, Gawrylow, Van Orman, Walth, Zenker and Chair Christianson voting in favor.

RENAISSANCE ZONE PROJECT – 630 EAST MAIN AVENUE 630 MAIN DEVELOPMENT, LLC – NEW CONSTRUCTION EXTENSION REQUEST

Mr. Nairn gave an overview of the staff report and stated that the applicant, 630 Main Development, LLC, is requesting an extension of the approved May 1, 2022 deadline for a New Construction Renaissance Zone project approved May 1, 2019. The applicant is requesting an extension to August 31, 2022 and Mr. Nairn stated that work has not stopped on the site but the project requires a few more months to complete.

Mr. Nairn stated that, based on the findings contained in the staff report, staff recommends granting an extension of the deadline to complete the New Construction Renaissance Zone project approved as 630 Main Apartments, but now known as Trestle, at 630 East Main Avenue until August 31, 2022.

MOTION: A motion was made by Mr. Van Orman and seconded by Mr. Walth to approve a deadline extension to August, 31, 2022 for the New Construction Renaissance Zone project at 630 East Main Avenue.

Mr. Fink asked Mr. Witham if he needed more time for completion. Mr. Witham said that the end of the year would certainly be plenty of time.

Mr. Zenker mentioned that he was involved with the construction of the project and recused himself from voting.

MOTION: An amended motion was made by Mr. Van Orman and seconded by Mr. Walth to approve a deadline extension to December, 31, 2022 for the New Construction Renaissance Zone project at 630 East Main Avenue. The motion passed unanimously with members Connelly, Fink, Gawrylow, Van Orman, Walth and Chair Christianson voting in favor.

Chair Christianson moved to item six on the agenda.

OTHER BUSINESS

UPDATE ON RENAISSANCE ZONE FIVE-YEAR REAUTHORIZATION PROCESS AND DISCUSSION ABOUT BOUNDARY MODIFICATION IN RENAISSANCE ZONE DEVELOPMENT PLAN

Chair Christianson asked staff to summarize events thus far regarding the Renaissance Zone reauthorization process.

Mr. Nairn reminded Authority members that August 1, 2022 is the deadline to receive support from City Commission, County Commission and Bismarck Public Schools to reauthorize the

Bismarck Renaissance Zone. On March 22, 2022, City Commission approved the reauthorization request from Renaissance Zone Authority's recommendation to approve. The Chamber EDC and Committee voted to support reauthorization. The School Board had an information meeting on March 28, 2022 and gave verbally positive feedback but took no action except to state that the request for approval would be scheduled at a later date. On April 18, 2022 the Burleigh County Commission voted 4-1 to pause the Renaissance Zone program. Concerns revolved around the impact to taxpayers and the extent of the program boundaries and boundary expansion. No timeline was set to revisit the request for approval. The Department of Commerce was contacted and advised staff that any pause beyond July 31, 2022 would be an effective end to the Renaissance Zone program in Bismarck.

Mr. Nairn stated that only two cities in North Dakota have declined to continue the program and only for administrative reasons. At a later date Watford City asked to rejoin the Renaissance Zone program and were denied, according to state law. He said that short of a legislative reconsideration, state law currently prohibits any city from leaving the program and then rejoining.

Mr. Nairn showed and explained several tables used at meetings showing the return on investment. At Chair Christianson's request, staff added a new chart to the information sheet showing how revenue is distributed to each tax entity. He stated that for the year 2021, for example, the table shows actual taxes paid to each tax entity, baseline taxes had no improvement been made to properties, tax exemptions, and net gain for each tax entity for that year. He stated that the net gain would only rise in future years and the table does not show how neighboring properties have been positively affected and the potential of projects not created. Mr. Nairn stated that the intent of creating the information sheet is to answer the question of what benefits are given to those not interested in going downtown or not participating in the downtown.

Chair Christianson asked staff to read the last paragraph on the information sheet. Mr. Nairn stated that there have been 136 completed projects, and an additional six projects have been approved and are under construction. A total capital investment of \$83,254,268 has been verified on Renaissance Zone projects, and another \$23,190,000 in proposed investment is underway.

Chair Christianson asked how much of the information was presented to the County Commissioners. Mr. Nairn stated that revenue was discussed, but the benefits were not broken down by tax entity.

Mr. Fink asked when the School Board intended to take action on the item. Mr. Nairn stated that he would follow up and find out when they might add the item to their agenda.

Mr. Gawrylow liked the addition to the table showing benefits to individual tax entities and asked staff what response they got from the state regarding a possible stepped exemption which would pay a full county tax portion. Mr. Nairn stated that it was not an option due to the way the state law is written, that continuation of the program demands county approval.

Mr. Connelly suggested adding the final taxable projections for projects underway to the table. Mr. Nairn stated that because those numbers are not yet realized it requires some estimation and the numbers in this table are hard facts.

At this time there was a discussion about Renaissance Zone boundary changes. Mr. Gawrylow stated that unfortunately the word expansion was used while the subcommittee's intention is to shift the boundaries, not expand them. He stated that it might have given Commissioners the wrong impression of what the Renaissance Zone Authority intends to accomplish. Mr. Nairn stated that it would have been fortunate to have completed the Development Plan before reauthorization was requested but the letters were mailed in November with a set hearing in May. Mr. Gawrylow explained the intentions of the subcommittee to shift the boundaries of the Renaissance Zone and prompt owners to either become part of the process or close some blocks to where more incentive is perceived. He thought that the County would look favorably on that and felt that point was not presented at the County meeting.

At this time, there was discussion about presenting updated facts to the County and the legality of the motion the County Commissioners made and how taxes are and could be proportioned. Ms. Combs stated that a formal request was not yet made to the County and suggested that a Renaissance Zone Authority member might attend a County Commission meeting and speak on the program's behalf.

Chair Christianson asked if Ms. Combs know how population is portioned between Bismarck and Burleigh County. Ms. Combs stated that approximately 75% of the population of Burleigh County is contained within the City of Bismarck.

Mr. Connelly suggested that the Development Plan might include giving advantage to projects that have a shorter return on investment.

Chair Christianson stated that the pure economics of the program speak loudly and have hard numbers showing growth.

Mr. Gawrylow stated that he thinks that Burleigh County believes that development would occur without the Renaissance Zone incentive and that Authority members are challenged with predicting investors' intentions when they look at developing a project downtown.

Mr. Connelly stated that at the school board meeting a few investors stated that they would have gone through with the project without Renaissance Zone status.

Mr. Fink stated that the financial turnaround is obvious and long-term cost more than covers short term growth. He continued stating that the Renaissance Zone program without question widens the tax base, which in itself is a benefit far beyond any liability.

Chair Christianson stated with staff confirmation that North Dakota has over 60 Renaissance Zones and all the top 10 most populous cities have a Renaissance Zone. He stated that if Bismarck were to discontinue having a Renaissance Zone it would be the only significant population in the state without this economic tool, which also attracts business from out of state. He stated that if the Renaissance Zone program goes away Bismarck would be left with no financial incentives for development compared to other cities with several tools.

Mr. Zenker agreed that members should ask Burleigh County for approval and asked who will present to the Burleigh County Commission and when.

Mr. Ehreth stated that the County Commission meets twice a month and suggested that staff requests to wait until the June meeting to gather investors' responses.

Mr. Zenker stated that they have asked investors at Renaissance Zone meetings if they would be investing in downtown if the program were not an option and they answered that they were incentivized by the Renaissance Zone project parameters and outcomes. He said he felt collecting investors' and developers' comments would not only be too time consuming but not necessarily fulfill the questions asked by County Commissioners. He felt the numbers should speak for themselves.

Mr. Gawrylow suggested that Authority members first shall amend the Development Plan before going to speak to County Commissioners.

Mr. Van Orman asked what the timeline for completing Mr. Gawrylow's suggestion. Mr. Nairn stated that the public hearing is scheduled for the next Renaissance Zone Authority meeting May 12, 2022, which if approved would go to City Commission at the May 24th meeting so potentially at the June County Commission meeting a fresh Development Plan could be presented.

At this time there was discussion about appearing at the County Commission meeting.

Mr. Nairn recommended that the Boundary Modification subcommittee reconvene before the May 12th meeting, and that staff would notify the public about the meeting two weeks prior as required. Mr. Nairn stated that some comments have been received and members Walth, Fink and Gawrylow could meet to discuss. Chair Christianson supported staff's suggestion.

MOTION: A motion was made by Mr. Zenker and seconded by Mr. Van Orman to approve that the Renaissance Zone Boundary Subcommittee meet before the next Renaissance Zone Authority regular meeting. The motion passed with members Fink, Connelly, Gawrylow, Van Orman, Walth, Zenker and Chair Christianson voting in favor.

DISCUSSION ABOUT RENAISSANCE FUND ORGANIZATION IN RENAISSANCE ZONE DEVELOPMENT PLAN

Chair Christianson stated that this item can be moved to the next regular meeting.

REPORT FROM THE DOWNTOWNERS

Ms. Kopp stated that the Downtowners extend support to the Renaissance Zone Authority's goals for reauthorization.

Ms. Kopp stated that downtown street repairs were delayed due to weather but will be starting on April 25, 2022.

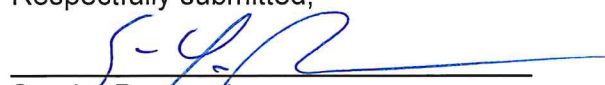
Ms. Kopp stated that she attended the first meeting of the East Main Corridor Study with city staff and will continue to share information from those meetings.

Chair Christianson thanked the Downtowners for their support.

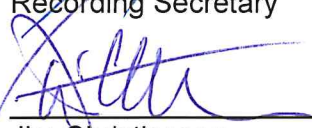
ADJOURNMENT

There being no further business, the meeting of the Bismarck Renaissance Zone Authority adjourned at 4:56 p.m. to meet again on May 12, 2022.

Respectfully submitted,



Sandra Bogaczyk
Recording Secretary



Jim Christianson
Chair