BISMARCK RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
May 12, 2022

The Bismarck Renaissance Zone Authority met on May 12, 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. Chair Christianson presided and was present in the Tom Baker Meeting Room.

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

Authority member Todd Van Orman was absent.

Design Advisors Bruce Whittey and David Witham were present.

Design Advisors Eric Hoffer was absent.

Staff members present were Hilary Balzum (Senior Administrative Assistant, Kim Lee (Planning Manager), Stephanie Pretzer (Assistant City Attorney), Ben Ehreth (Community Development Director) and Daniel Nairn (Senior Planner).

Guests present were Kate Herzog (The Downtowners) and Terry Fleck, Brad Balerud.

CALL TO ORDER

Chair Christianson called the meeting to order at 4:00 p.m.

MINUTES

The minutes of the April 21, 2022 meeting were distributed prior to the meeting.

MOTION: A motion was made by Mr. Zenker and seconded by Mr. Walth to approve the minutes of the April 21, 2022 meeting. The motion passed unanimously by voice vote with members Connelly, Fink, Gawrylow, Walth, Zenker and Chair Christianson voting in favor.

RENAISSANCE ZONE DEVELOPMENT PLAN AMENDMENT – PUBLIC HEARING

Mr. Nairn gave an overview and presentation on the amendment, as described in his memo in the agenda packet of this meeting, including the effects of addressing reauthorization of the program for a period of five years, being both a formality as well as authorization of the creation of a Renaissance Fund Organization (RFO). He said the RFO would be a separate entity to create a vehicle for projects in the Renaissance Zone boundary and make them eligible for a state tax credit without any impact on local property taxes. He said it does need to be connected to this program through the development plan and bylaws and creation are still underway so once a board of directors is created, they would report annually to this group. He said another portion would be for adjustments to the boundaries or shifting them slightly. He said the State limits the number of blocks allowed by population and Bismarck is allowed 47 blocks of which not all have ever been used at one time. He went on to say the boundary subcommittee created last fall met again recently to recommend modifications to the boundaries and based on the

discussion had in November, there is a new approach being recommended to adopt a boundary modification plan as part of the Development Plan that would show future changes to the boundaries and give advance notice to owners of closures and expansions, in order to allow them to assess their needs or development potential, or expedite projects. He said a draft is in the packet and the boundary subcommittee is recommending a few changes as reflected on the map in the packet, on page 19, as recommended in draft form. He said Block 7 of the map would be removed and closed as there is limited potential for new projects as it is occupied by a church and the other properties have already utilized the program. He added that other blocks recommended are Blocks 20 and 21 for closure and removal as they contain properties already utilizing the program and half of Block 21 is the Parkade parking lot. He went on to say staff did receive comments from multiple owners in Blocks 20 and 21 who have asked to keep those blocks open for potential future projects, shown and attached as Exhibits A-C and included in this packet. He said letters were also sent to owners in Block 1A which is a University of Mary property and Block 14 which houses the City-County Office Building, and Block 8. He added that those are not being recommended for closure at this time as an owner in Block 1A did indicate future private partnership that could utilize the program and the boundary subcommittee believes in substantial projects for that block as well. He said Block 14 contains an empty parking lot owned by Sanford Hospital and they have requested to stay in the boundary, although there are no immediate plans for projects. He added that Sanford Hospital is non-profit but do have clinics that pay property taxes, so development could potentially benefit from the program.

Chair Christianson asked if or how half blocks are allowed. Mr. Nairn said half blocks are allowed and the way the legislation is written it is so that any block containing government buildings are considered half blocks and the reason Block 8 was asked to not be closed is that it contains a lot currently owned by the Parking Authority and they did consult on plans and voted to request to the Renaissance Zone Authority that it be left open.

Chair Christianson asked if that is the surface lot across from the Federal Building. Mr. Nairn said that is correct.

Chair Christianson asked what the different markings are on the completed block crossed out or red on the map reference. Mr. Nairn said that references the boundary modification plan so the red blocks are those on notice for potential closure. He said one other change would be for the addition of Block 1F south of the Bismarck Veteran Memorial Public Library which contains buildings for sale and under ownership transfer at this time. He added that there is also the potential for reinvestment for a portion of the block so the boundary subcommittee though it would be good to add that one. He said the net result would be a reduction in the total zone if all of the changes go into effect. He said the map also shows additional blocks to consider in the future and the final map shows the potential future expansion as limited to 47 blocks and as recommended by the boundary subcommittee as areas that meet certain criteria. Mr. Nairn then said the criteria for expansion was also discussed by the boundary subcommittee as listed to include in the Development Plan along with the boundary modifications. He added that the proposed criteria, as well as public comments received, are in the packet.

Chair Christianson shared that he has been approached by some people that the RFO should be continued to the next meeting or beyond because of the amount of information to be gone through and asked if that would interfere with the Development Plan.
Mr. Nairn said they could continue the two to a future meeting but there would not be a problem with continuing one or the other or both.

Mr. Fink asked if continuing the RFO within the Development Plan then would the entire Development Plan need to be continued. Mr. Nairn said that is correct, that the Development Plan has to go to City Commission and the Department of Commerce would be hesitant to amend it for all of the other items and then amend it again when the RFO is ready.

Mr. Gawrylow said because of the timeline with the Burleigh County Commission it might be best to settle on what would be in the document and how other political subdivision could be impacted.

Mr. Fink said the map with a green expansion indication has not yet been taken into consideration with the proposed criteria. Mr. Nairn said that is correct and the criteria would be used to decide between the areas in green for an addition to the boundary. He said they took the area within two blocks of the existing boundary and thoughtfully placed it but not to the extent of actually adding them to the boundary.

Mr. Fink said it appears to be within two blocks in addition to the other addition criteria. Mr. Nairn said that is correct.

Chair Christianson said he would like the various items to be voted on separately.

Chair Christianson opened the public hearing.

Terry Fleck said as it relates to the amendments, would the political subdivisions see and consider them if the Burleigh County Commission voted against it and is it being suggested to move forward at all. Chair Christianson said the Burleigh County Commission at their last meeting voted to pause the program and the intention is to return at their June meeting for reconsideration since it was paused.

Mr. Fleck asked if legal counsel has been provided to either party. Chair Christianson said not as of this time.

Mr. Fink said he understood the motion from Burleigh County was to not provide a letter of support.

A general discussion on legal counsel and plans to reappear before the Burleigh County Commission was had at this time.

Dan Masseth said he owns Magic Photo and asked how many blocks are allowed. Mr. Nairn said they are allowed 47 and currently are using 42 ½.

Mr. Masseth said when they do decide to expand the boundary he would like the block his business is in to be kept in and not eliminate his chances for improvement projects.

Kate Herzog, The Downtowners, said their Board of Directors met on May 10th and looked at the maps provided and they support the removal of Block 7 and the addition of Block 1F, however, they do not support the removal of Blocks 20 and 21 as owners have indicated in these blocks and others that they want ot say in the boundary and dovetail it with the Infill and Redevelopment Plan. She then asked if there is the option to remove half of Block 21. Mr. Nairn said that block does already exist as a half block.

Brad Balerud said he supports Block 1F being added as he is currently working on a project for the former First Community Credit Union building and he would like to benefit from his investment in the downtown area. Mr. Fink asked if he would feel a difference in having or not having those program benefits for his project.

Mr. Balerud said the return on investment would differ so it definitely helps when deciding to invest in downtown or not. He said it gives more incentive to doing business downtown.

Mr. Fink said the Renaissance Zone Authority will make a recommendation today and the City Commission would then approve it or not to be forward to the State. Mr. Zenker said that would require advertising so full approval would likely be sometime around the end of June.

A general discussion regarding the timeline and how to handle those new applications received before August 1st when the program is set to expire was had at this time.

Mr. Nairn said any projects completely approved prior to August 1st are eligible for benefits.

There being no further comments, Chair Christianson closed the public hearing at this time.

Mr. Zenker asked how long Blocks 20 and 21 have been eligible for program benefits. Mr. Nairn said they are original blocks that have been in the boundary since the program started in 2001. Mr. Zenker said he cannot accept having that long for the owners to get projects done and having discussion here on the redevelopment plan to prod people to get it done. He said the Machining District, for example, was added to the program boundary and not a single project has been seen and the owners pushed for that change. He said he has a hard time keeping those properties in the boundary as it is not beneficial to anyone.

MOTION: A motion was made by Mr. Gawrylow and seconded by Mr. Walth to remove Blocks 7, 20 and 21 and add Block 1F from the Renaissance Zone program boundary.

Mr. Fink asked to define removal versus completing or deleting as one term allows a block to come back into the boundary and one does not. Mr. Nairn said they did receive an explanation from their State representative that the legislation is written with terms for removal of which one would delete it and one would complete it. He said deleted blocks are those added that had little or no interest and so were removed and completed blocks are those in the zone that had utilized the program substantially and deemed complete even if they are not 100% improved. He said the policy that Department of Commerce adopted states a deleted block could potentially be reinstated if certain criteria are met, but completed blocks have not been reinstated before.

Mr. Fink said they need to look at this as not removing those blocks ability to pursue projects for all time. Mr. Nairn said Bismarck has used the term completed in the past so if they decide to delete or complete a block they would just need to be able to track that accordingly.

Mr. Connelly said as it relates to Block 1A, there has been discussion in the past of that purchase value being lower and if they open it up on the Renaissance Zone is that a way of getting two benefits at the expense of the taxpayers overall. He said he wants to see the program function for the right reason. Chair Christianson said that is a good question but might be a separate agenda subject or a motion to change that would be needed.

Mr. Fink asked if there have been completed projects in those blocks proposed to be deleted. Chair Christianson said there have been projects including in the Patterson building.

Mr. Fink said the program does not allow a block with completed projects or a completed block to be deleted.

Mr. Gawrylow withdrew his motion and Mr. Walth withdrew his second at this time.

Chair Christianson said he thinks Blocks 20 and 21 should be put on a one-year notice for requests for projects before they are removed from the boundary.

MOTION: A motion was made by Mr. Gawrylow and seconded by Mr. Walth to complete Blocks 7, 20 and 21 and add Block 1F to the Renaissance Zone Boundary. The motion passed with members Connelly, Gawrylow, Walth and Zenker voting in favor. Mr. Fink and Chair Christianson opposed the motion.

Chair Christianson said he would like to have a discussion on the RFO.

Ms. Herzog said they support either tabling or continuing that portion of the plan at this time.

MOTION: A motion was made by Mr. Fink and seconded by Mr. Gawrylow for the removal of proposed Section 5 from the draft development plan distributed to the Renaissance Zone Authority.

Mr. Zenker asked why that section is included as it has nothing to do with the City of Bismarck. Ms. Herzog said the City is required to have an active Renaissance Zone in order to have an RFO so until that is complete and can be timed out appropriately they would like to hold off for now.

A discussion regarding the timeframe and implementation of an RFO, as well as its utilization and availability was held at this time.

Chair Christianson said action is still needed on the modification of the plan.

MOTION: A motion was made by Mr. Fink and seconded by Mr. Zenker to approve the boundary modification plan as presented.

Mr. Nairn asked if that would be to approve the plan only or the maps as well. Mr. Fink said he would like to see only the text adopted. Mr. Zenker said the plan should not include the maps as that could shoehorn into limitations or other issues.

Mr. Walth said he would like to see the phrase 'state well in advance' be changed to something else as that does not define an actual timeframe. Mr. Nairn said the boundary subcommittee envisioned an annual notification so they could change it to be defined that way if preferred. Mr. Walth said he would prefer the word annually as property owners could see it as different amounts of time.

A discussion regarding wording in the plan and advance notice to owners by the Renaissance Zone Authority, what language to use and where was had at this time.

Mr. Fink withdrew his motion and Mr. Zenker withdrew his second to the motion at this time.

MOTION: A motion was made by Mr. Fink and seconded by Mr. Walth to approve the boundary modification plan without the associated maps and with the change to the language to explicitly require a one-year notice. The motion passed unanimously with members Connelly, Fink, Gawrylow, Walth, Zenker and Chair Christianson voting in favor.

Chair Christianson asked if the current plan allows for updates to stakeholders in the various political subdivisions.

Mr. Nairn said it does not include specifics on updates but there is a section on promotion of the program.

Chair Christianson said he would like to see that brought to attention for an annual update to the stakeholders by a representative of this body. Mr. Fink said he thinks twice a year would be even better. Mr. Zenker assed that they can wait and see what happens with the program in the coming weeks. Mr. Walth said he can see a benefit of regular updates and feel they have an obligation to do so.

MOTION: A motion was made by Mr. Walth and seconded by Mr. Connelly to add to the plan that a Renaissance Zone Authority representative appear before the stakeholders to provide an annual update. The motion passed unanimously with members Connelly, Fink, Gawrylow, Walth, Zenker and Chair Christianson voting in favor.

Mr. Connelly said the ITG meetings could be beneficial for sharing information amongst various political subdivisions in efforts to preserve their resources as well.

Mr. Walth asked what the setting could be to put blocks on notice or when that could be started. Mr. Nairn said Blocks 2B, 11, 8, 3B, 25 and 8 were given notice in November and the others have not been put on notice yet but that can be sent out any time, however, he recommends delaying that notice until August.

MOTION: A motion was made by Mr. Fink and seconded by Mr. Gawrylow for overall approval of the amended Renaissance Zone Development Plan. The motion passed unanimously with members Connelly, Fink, Gawrylow, Walth, Zenker and Chair Christianson voting in favor.

UPDATE ON RENAISSANCE ZONE FIVE-YEAR REAUTHORIZATION PROCESS

Chair Christianson read agenda item #4, A-D for the record at this time to include:

a. Bismarck City Commission - Reauthorization Unanimously Approved at March 22 meeting
b. Bismarck Parks & Recreation - Reauthorization Unanimously Approved at April 21 meeting
c. Bismarck Public Schools - Reauthorization request in process
d. Burleigh County Commission - Reauthorization on hold (Request to appear at June meeting?)

Mr. Fink asked if they have received confirmation from the Bismarck Public Schools Board as to which agenda they would be placed on. Mr. Nairn said they are scheduled for the May 23rd agenda and while they have heard the request and it was discussed the formal vote will be at that meeting.

REPORT FROM DOWNTOWNERS

Ms. Herzog said a municipality is not allowed to take time off from the Renaissance Zone program so it could not be brought back in once it is out. She also shared that the downtown street construction project is experiencing delays due to supply chain issues and are now looking at around May 30th for a start date.

OTHER BUSINESS

Mr. Fleck said he feels the legislation for the Renaissance Zone Program was poorly written and they should consider at the next legislative session having some things changed. He said he feels strongly about some issues and fully intends to secure an audit, but out of respect good work has been done with the program.

Chair Christianson shared with those present that approximately $83M in projects has been completed since the program started with another $23M in the works so the numbers speak for themselves. He added that the 2021 net property tax value increased by $118,000 for the City of Bismarck, $162,000 for Bismarck Public Schools, $52,000 for Burleigh County and $51,000 to Bismarck Parks and Recreation.

ADJOURNMENT

There being no further business, the meeting of the Bismarck Renaissance Zone Authority adjourned at 5:15 p.m. to meet again on June 9, 2022.

Respectfully submitted,

Hilary Balzum
Recording Secretary

Jim Christianson
Chair