

Mandan Renaissance Zone

Development Plan



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Introduction

This development plan for the Mandan Renaissance Zone is a major revision to a plan first created in 2004. Renaissance Zone management practices, zone boundaries, available exemptions and minimum criteria for approval have been revised and updated over the years. This purpose of this plan overhaul is to bring changes into one more user-friendly document. This document is meant to update the original Renaissance Zone development plan adopted by the City of Mandan and approved by the N.D. Department of Commerce – Division of Community Services on September 1, 2005. The following items have been updated, amended or included during this process:

History of Mandan’s Renaissance Zone

On April 15, 2004, the City of Mandan created the Renaissance Zone Development Committee to establish a Renaissance Zone in Mandan. Over the course of the next year and a half the committee held meetings and surveyed property owners to determine which part of Mandan’s central business district most needed the benefits provided by the Renaissance Zone Program.

The Committee prepared a proposed Renaissance Zone Boundary Map and presented it to the Mandan City Commission. Public input was solicited through the Renaissance Zone development process during a public hearing associated with the City Commission’s consideration of the proposed boundary map and enabling city ordinances and resolutions.

Mandan’s Renaissance Zone was established in September 2005 with the acceptance of the first Development Plan by the N.D. Department of Commerce – Division of Community Services. The original zone consisted of 25 blocks of the Main Street and downtown area. With this update, the City of Mandan is seeking a five-year extension for its Renaissance Zone, from Sept. 1, 2020 through Aug. 31, 2025.

Legislation approved in 2007 allowed for a three-block expansion of Renaissance Zones. The Mandan City Commission approved adding three blocks to Mandan’s zone on Jan. 15, 2008. The N.D. Division of Community Services approved the inclusion of blocks 26A, 27A and 28A on April 1, 2008. The new time period for these three blocks is for fifteen years starting from April 1, 2008 through March 2023.

The City of Mandan proposes to expand its zone by the allowed nine additional blocks as indicated in the next section.

I. Description of the Mandan's Renaissance Zone

1. Provide a map that identifies the geographic boundaries and blocks in the proposed Renaissance Zone. Number the blocks. To claim half blocks because of government buildings, identify the tax exempt government buildings.

Main Street & Downtown – Blocks 1-35



Non-Continuous Area Along Memorial Highway – Blocks 36-37



Mandan's Renaissance Zone consists of 35 blocks along Main Street and the downtown area, including both commercial and residential properties plus a non-contiguous area along Memorial Highway, the 2300-2500 blocks, comprised of underutilized parcels that are potential candidates for redevelopment. The property is fully outlined on the map within this plan and is specifically identified by parcel number and address. The City of Mandan and property owners have made considerable progress in revitalizing downtown Mandan since 2005, but some deteriorating and

vacant buildings and un-kept homes remain. Remediation is nearly complete in an approximate 6-block area within the zone that was impacted by an underground diesel fuel spill. Property values are rebounding.

1. Identify Tax-Exempt Government Buildings

Mandan's Renaissance Zone originally included 7 blocks with government-owned property. Updates are noted.

- RZ Block 1 - Mandan Public Schools Former Central Administration Building – sold in 2012
- RZ Block 5 - Mandan City Hall
- RZ Block 6 - Former Post Office – Library – sold in 2006 to MDI Limited Partnership #100 (now Library Square II)
- RZ Block 13 – Remediation Building constructed in 2006
- RZ Block 14 - Public Parking Lots
- RZ Block 15 - Fire Station, Public Parking Lots
- RZ Block 24 - Library, Dykshoorn Park, Depot, Beanery, Heritage Park, Public Parking Lots

- 2. Provide an inventory of the buildings on each block indicating, block number, owner, address, present use and condition and identify those properties to be targeted for projects. Indicate for those properties the types of projects the city wants to encourage in those properties.*

A complete inventory of properties indicating condition is attached as Appendix A. Condition or quality grades as assigned by the City of Mandan Assessing Department are as follows:

- Commercial Property — 0) excellent, 1) very good, 2) above normal, 3) normal, 4) below normal, 5) poor, 6) very poor.
- Residential Property — 1) excellent, 2) very good, 3) above normal, 4) normal, 5) below normal, 6) poor, 7) very poor.

Properties targeted for projects include the following:

- Block 1 — 309 Collins Avenue (Former Central Administration Building): The Mandan Public School District moved its central offices to the Brave Center. The block with the CAB was originally included in the Renaissance Zone to expedite the sale to private entity and encourage re-investment in offices or other uses compatible with the neighborhood. The new owner, a church, has yet to make any substantial investment in building rehab.
- Block 8 — 814 W Main St — Former gas station that has generally been vacant for 15+ years. Seeking rehabilitation and occupancy.
- Block 11 — 422 Main Street W (1884) — Although not a contributing building to the historic district because of modifications over the years, this two-story, mixed use building has visual signs of exterior blight, but offers tremendous potential. It is located across the street from Dykshoorn Park where many community events take place.

- Block 11 — 110 4th Ave NW — This former Elks lodge was recently abated of asbestos and gutted. It is ready for redevelopment
- Block 11 — 400 Main Street W, Lewis and Clark Building (1917) — This four-story, mixed use building is on the National Register of Historic Places. Owners have not made significant reinvestment in the property since acquiring it in 2006. It is visually blighted with missing and cracked exterior tiles, sagging awnings, vacant commercial spaces, and graffiti on alley-facing walls.
- Block 12 — 111 2nd Ave NW — Currently used as a Wells Fargo branch, the bank has significantly reduced the number of employees working in Mandan and most of this large building is vacant. The parking lot is also underutilized.
- Block 12 — 318-320 Main Street W (1884) — Two-story, buildings have broken and boarded up windows on the vacant second story. Seeking to improve the aesthetics and utilize second level.
- Block 12 — 316 Main Street W (1884) — Two-story building's street level space and façade is in good condition with recent investment in renovation, but the second story remains vacant and under-utilized.
- Block 13 — 106 Second Avenue NW (1905) — This one-story building lacks adequate restroom space for use as a bar and has not been significantly updated since no smoking laws went into effect.
- Block 14 — 122 Main Street W (1900-01) — This former State Bank of Morton County building is deteriorating badly and has many boarded up windows. Second story space is only used for storage. Seeking more full utilization.
- Block 14 — 111 Collins Ave — Once a Knights of Columbus lodge, this two story building has been used as a location for youth ministry for approximately 14 years. There is seldom any apparent activity. The building seems underutilized and the community could benefit from an owner/tenant that would bring vibrancy to the area.
- Block 15 — 112-114 E Main St — Vacant lot since a fire destroyed building on site in 1970 and circa 1928 two-story brick building is badly blighted and has not been used in a commercial fashion in at least 15 years.
- Block 16 — 216 E Main St — Used until spring 2020 as a barbershop, the owner-operator recently passed away. Heirs may need to rehab the now vacant building for a new use, sale or lease.
- Block 17 — 302 E Main St — This property was purchased in the last 10 years by M&H Convenience Stores for future expansion and former building was demolished. The lot is now vacant and prime for redevelopment.
- Block 25 — 805 E Main St — Under new ownership, the Subaru dealership move to Old Red Trail in 2021. Renovations may be needed to sell the property or attract a new tenant.
- Block 25 — 905 E Main St — Under new ownership, the Kupper Auto Body Shop may also be relocated in 2021 and renovations may be needed to attract a buyer or tenant.
- Block 25 — 1121 E Main St — Currently serves as overflow for Kupper Chevrolet with several shop buildings once used for tractor and implement repair and storage. Buildings are underutilized.
- Block 29 — 1008 Main St — The owner of the TP Motel is interested in enhancing the building as a gateway entrance to the city and to complement other improvements taking place on Mandan's West Main Street.

- Block 36 — 2329 Memorial Hwy — Currently Marshall Lumber and available for sale. Some buildings should be demolished or enhanced and the overall site needs clean-up.
- Block 36 — 2309 Memorial Hwy — Faulkner’s Market — There’s still a single family home on the site amid commercial properties. The site is in need of improvement.
- Block 37 — 2517 Memorial Hwy — Currently XL Homes, the lot lacks permanent structures and is currently used as a site to sell manufactured homes.

The City of Mandan is seeking projects that bring vibrancy back to vacant and underutilized buildings. Other targeted projects include those that increase usable space within buildings, such as vacant second stories, that extend the useful life of buildings, and that bring more retail, restaurants, entertainment or professional services to Main Street and downtown Mandan.

3. *Provide a list of the natural and historical assets/sites in the zone, the location of each, and a description of how they will fit into and be enhanced by the zone.*

A historical resource assessment of properties located within the Mandan Original Town site was conducted and is attached as part of this Development Plan (see Appendix B). The majority of the proposed zone lies within the original town site of the City of Mandan and subsequently contains many older buildings with unique construction and design characteristics. Much of the area lends itself to redevelopment as it relates to the historical characteristics contained therein. It is the intent of the City of Mandan to preserve those historical characteristics to the best of its ability. Where applicable and practical, the City of Mandan, in cooperation with respective developers, may consult with the State Historical Society of North Dakota and/or area architects for guidance in preserving the historical assets within the proposed zone.

4. *Provide a description of any local regulatory burdens that may affect renovation of historic properties and the incorporation of mixed-use development and how these burdens will be eased for developers and investors.*

Regulatory burdens that may affect renovation of historic properties and the incorporation of mixed-use development are zoning and an institutional control ordinance that outlines requirements for rebuilding in the area of remediation. Zoning changes may be requested if compatible with the 2018 Downtown Subarea Study, to facilitate a project. Mandan has Downtown Core and Fringe Districts that guide site and building plans as well as the quality of materials used in new construction and building renovations. The Mandan Architectural Review Commission reviews all applications for commercial building construction and renovation and also oversees a business sign ordinance Renaissance Zone benefits will help offset any increased costs of development associated with the these regulations.

II. Management of the Renaissance Zone

1. *Identify who will manage all day-to-day Renaissance Zone activities and, the membership of the local zone authority, if one is established. Describe how the city will market and promote its Renaissance Zone.*

The City of Mandan administers all zone activities through the Business Development and Communications Department. A Renaissance Zone Committee develops policy and reviews all

applications. The Renaissance Zone Committee is comprised of seven members appointed by the Mandan City Commission. Each project reviewed by the Renaissance Zone Committee is forwarded with a recommendation to the Mandan City Commission for a final decision. The Renaissance Zone Committee meets as needed. All meetings are open to the public. The agenda for each meeting is made available in accordance with state open meeting requirements and City of Mandan public information practices.

Committee appointments may be considered from the following areas of interest with a preference for appointment of at least one representative of each:

- Home owner
- Financial sector
- Mandan City Commission
- Real estate sector
- Mandan Progress Organization
- Two at-large representatives from the business community or citizens

City of Mandan Business Development Department staff are responsible for Renaissance Zone promotion and information dissemination, application and eligibility determination, management strategies to maximize investment in the zone, and state reporting requirements. Promotional activities include a dedicated web page with application information (www.cityofmandan.com/renaissance), mailing of a business assistance fact sheet every 1-2 years to business owners in the community, social media posts, annual progress reports, newsletter articles, downtown tours and periodic mailings to property owners in the zone.

2. *Describe how the city will monitor the progress of each zone project until it is completed; how the city will monitor projects during the five-year tax exemption period for possible transfer of the tax exemption to another qualified taxpayer or for termination of the tax exemptions, and how it will maintain records on each Renaissance Zone project, to include collecting required reportable information.*

Procedures

A. Applying for Designation as a Renaissance Zone Project

1. Verify that the proposed project is located within the City's Renaissance Zone.
2. Review the Goals and Objectives for the Renaissance Zone to verify that the proposed project conforms to these goals and objectives.
3. Review the Minimum Criteria for Project Approval to verify that the proposed project will meet the criteria established by the City to encourage and reward significant levels of investment within the Renaissance Zone.
4. Review the Project Review Guidelines to understand how the Renaissance Zone Authority will evaluate the proposed project.
5. All construction and renovation activities associated with a Zone project must comply with the State Building Code and State Energy Codes, and any local amendments, including the Americans with Disabilities Act Accessibility Guidelines.

6. Read more about the Renaissance Zone tax incentives to verify that the proposed project is eligible for tax incentives under the program. The North Dakota Renaissance Zone Tax Incentives Guideline published by the North Dakota Office of State Tax Commissioners, at <http://www.state.nd.us/taxdpt/genpubs/renaissance.pdf> or in paper format from the City of Mandan Business Development Office, 205 2nd Avenue NW, Mandan.
7. Verify whether or not the proposed project is also a historic property. A historic property is a property that is: 1) listed on the National Register of Historic Places; 2) a contributing structure within a National Historic District or certified state or local historic district; or 3) eligible for listing on the National Register of Historic Places. If the proposed project involves a historic property, the preservation or rehabilitation of the property may be eligible for additional state and/or federal tax credits. Application for these credits is a separate process that is administered by the State Historical Society and all work must conform to the Secretary of the Interior's Standards for Rehabilitation. Information on applying for these rehabilitation tax credits can be found on the State Historical Society's web site at <http://www.state.nd.us/hist/RehabCredits.htm>.
8. Meet with City Business Development Office staff to discuss the proposed project. To make an appointment to discuss the proposed project, contact the Business Development Office at 701-667-3485..
9. Complete and submit the Renaissance Zone Project Application and provide all required information. Applications that are complete and thoroughly describe the project will allow for a speedy review of the proposed project. Applications that are incomplete or inadequate will likely delay review of the proposed project. **A Zone Project must be approved by both the City and the State before the qualifying event occurs (purchase, rehabilitation, lease or new construction).**

B. City Review of a Proposed Renaissance Zone Project

1. City staff will review the Renaissance Zone Project Application within 10 working days. If the City requests additional information during this initial review period, the information should be provided promptly in order to avoid delays.
2. If it is determined that the application is complete and the proposed project generally meets the requirements for a Renaissance Zone project, review and consideration of the application will be scheduled before the Renaissance Zone Committee within 30 calendar days. A copy of the application will be provided to each member of the Renaissance Zone Committee to allow for a thorough review of the proposed project prior to the meeting. A notice of the meeting will be made available on the City of Mandan website, www.cityofmandan.com.
3. The Renaissance Zone Committee will meet to hear and discuss the application and the proposed project. During this meeting, the applicant or his/her representative may make an oral presentation to the Committee. Other interested parties may also make oral presentations either supporting or opposing the application. In order to expedite the review and consideration process, it is suggested that any written materials and/or comments be submitted to the City Business Development Office prior to the hearing. Following the meeting, the Renaissance Zone Committee will either continue deliberations to a future

- meeting or make a recommendation on the proposed project to the Mandan Board of City Commissioners.
4. A recommendation from the Renaissance Zone Committee will be placed on the next available agenda of the Mandan Board of City Commissioners. The Mandan Board of City Commissioners will have final approval authority for all Renaissance Zone projects.
 5. Upon approval of a Renaissance Zone project by the City, the project must also be approved by the North Dakota Department of Commerce - Division of Community Services.
 6. City Business Development Office 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 Mandan Architectural Review Commission prior to implementation and may also be subject to approval by the Renaissance Zone Committee. City staff may grant minor alterations to a project scope upon request, as long as all program guidelines will still clearly be met and the alternation would not substantively change the outward appearance of the project.
 7. Unless stated otherwise as a condition of project approval, all projects approved by the City Commission are required to commence within one year of City Commission approval and to be completed within two years. The recipient of the Renaissance Zone project may request an extension of this deadline from the City Commission. It is the recipients' responsibility to request an extension.

Individual files are kept for each project/activity taking place in the zone and include, but are not limited to: applicant information; project proposals and costs; financial assistance provided; tax incentives, exemptions and credits requested and/or received; and an analysis of potential impact on state and local taxes. After project completion, recipients of tax exemptions are annually mailed a jobs verification form to determine if jobs are being retained or added.

Staff will also periodically verify that completed residential projects remain owner-occupied for the duration of the five-year tax exemption period with use of available public data. Properties that are verified as no longer owner-occupied will be removed from the Renaissance Zone program. Staff will also work with the Morton County Auditor on any situations where a completed project becomes delinquent on taxes after approved.

3. *Describe what measures the city will take to assure that it does not actively recruit businesses for its zone from other North Dakota cities.*

The City of Mandan does not actively recruit businesses for the approved zone from other North Dakota cities. In an effort to provide some level of assurance this does not occur, the City Business Development staff will review each application for zone incentives, including due diligence, to determine project feasibility and, where applicable, a historical overview of a particular business. The Renaissance Zone Committee and the Mandan City Commission will not consider the relocation of a business from another North Dakota city unless it involves a need to relocate due to an expansion, change in business scope, products or services or some other extenuating circumstances. Mere relocations will not be considered.

4. *Describe how the jurisdiction will assure that all construction, renovation, and remodeling will comply with the State Building Code, Energy Code, and American with Disabilities Act Accessibility Guidelines (ADAAG).*

The City of Mandan will verify that all construction, renovation and remodeling projects receiving zone incentives will comply with the State Building Code, State Energy Code, and the Americans with Disabilities Act Accessibility Guidelines (ADAAG) through their existing building permitting and inspection office. Construction, renovation and remodeling projects receiving zone assistance will, where applicable, require a certification from the project architect that construction, renovation and/or remodeling taking place will conform to ADAAG. City of Mandan ordinances 111-2-9 requires an automatic door for at least a main entrance for entities or commercial buildings receiving public funds.

5. *Describe how the jurisdiction will assure that approved projects don't involve the restructuring of ownership of existing zone buildings, simply to make a taxpayer eligible for tax exemptions and/or credits, without real benefit to the jurisdiction.*

The City of Mandan makes this assurance through its review and due diligence process. Business Development staff will offer a critical review of each application to the Renaissance Zone Committee, which then has the opportunity to research project benefits to the City. Recommendations for approval of Zone projects will then be forwarded to the City Commission, where again Commission members will have the opportunity to research project benefits to the City. All Renaissance Zone Committee and City Commission meetings are open to the public for project review and public comment. It is not the intent of the City of Mandan to generously offer Zone incentives without public benefit.

III. Goals and Objectives of the Zone

1. *Describe what the city hopes to accomplish in its zone. Include a description of the city's vision for the area and major activities such as rehabilitation of buildings, new construction. Leasing of buildings, etc. it wants to encourage. Describe how the city's goals and objectives fit into the overall comprehensive or strategic plan for the city.*

Vision

The City of Mandan's vision for the Zone is to establish a regional commercial/service corridor that supports a mix of uses and provides flexibility and compatibility in design standards unified by an improved "greenscape" infrastructure, while maintaining the historic attractiveness of the area and quality of life attributes of the entire City.

Goals

The City of Mandan's overarching goal for this plan is to develop and structure a renaissance zone that will facilitate development, redevelopment and rehabilitation of the area, encourage mixed use development, promote the return of economic vitality to the area and create a thriving city center which will become a commercial, residential and recreational destination for residents and visitors to the City.

Objectives

A. Re-establish the Renaissance Zone as the Center of Business Life, Government and Cultural Opportunity for Mandan.

1. Maintain the Zone as a mixed-use area accommodating a wide range of retail, governmental, service and residential functions.
2. Promote continued support for redevelopment activities in the Zone.
3. 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.
4. Enhance public open spaces in the Zone for cultural events and gathering.

B. Promote the Renaissance Zone as the Preferred Location for Hotel, Class A Office Buildings, Specialty Retail, Government and Institutional Uses.

1. Examine the possibility of providing incentives, such as attractive financing for new development. Public/private joint ventures and other unique approaches to redevelopment should be encouraged.
2. Identify unique businesses, events, and other attractions that may be feasible in the zone.
3. 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.

1. Provide adequate and convenient on-and off-street parking for all uses within the Zone.
2. Provide adequate and convenient traffic circulation in and around the Zone without disadvantaging its role as a destination point.
3. Provide for safe, comfortable pedestrian circulation within the Zone.
4. Create an identity for the Zone through consistent and complementary design practices.

D. Arrange Compatible Land Uses in Compact and Orderly Ways to Enhance the Functions of the Renaissance Zone.

1. Reinforce emerging entertainment, office/service and retail with compatible uses.
2. Concentrate redevelopment in the Zone.
3. New office and retail space should be concentrated around existing buildings.
4. Any new construction should include street level retail or commercial space and off-street parking.
5. Encourage redevelopment of the upper levels of existing buildings as residential apartments and lofts and identify.

E. Encourage a Zone That Upholds Mandan's Heritage as Well as Recognizes and Takes Advantage of its Pattern of Development.

1. Identify and prioritize those buildings that are historically significant and which are economically viable and worthy of preservation.
2. Develop strategies for public and private financing of improvements.

3. Identify potential developers and adaptive reuses for historically significant buildings.
4. Promote historic and unique buildings to potential tenants and tourists.
5. Encourage redevelopment that is at the same rhythm, scale, and mass as the existing buildings and circulation network in the Zone.

F. Achieve High Quality in Design and Visual Appearance of the Renaissance Zone.

1. Create a Zone framework that establishes urban, architectural, site design and signage guidelines that reinforce the unique, positive aspects of Mandan's history and architecture.
 2. Utilize the following plans as the Framework from which to base redevelopment decisions:
 - a. 2003 Downtown Redevelopment Plan
 - b. 2015 Comprehensive Plan
 - c. 2018 Downtown Subarea Study
 - d. Renaissance Zone Development Plan
 3. Preserve the integrity of City architectural and open space landmarks including the Courthouse, Depot, Beanery, Library, and Fire Station.
 4. Establish a cohesive system of streetscape treatments that reinforce a sense of human scale and balance between pedestrian and automobile space.
 5. Encourage public art in the downtown streetscape and public spaces that contribute to Mandan's unique character and sense of place.
2. *Identify milestones or benchmarks to monitor progress of the zone in achieving the city's goals and objectives for the zone.*

While there may be many methods to measure progress within the zone, the City of Mandan tracks activity and progress through building permits issued, and their incremental improvement of value, the number of projects approved and value of assistance/incentives granted, and the property values of the area. Ultimately, the property value assessment may prove to be the best indicator regarding zone progress. Other measures include the number of existing businesses retained and expanded and the number of new businesses attracted. Following are some relevant metrics:

- The Renaissance Zone program as encouraged private investment in the zone. Between 2005 and 2019, a total of 73 projects have been completed, adding \$19.7 million in documented private investment in the downtown and Main Street area.
- The total assessed value of all properties in the zone, whether a project or not, has grown from \$35.3 million in 2005, when the zone was established, to \$92.8 million in 2019. This amounts to an increase of 263% and an annual average growth rate of 18.8%.
- The value of properties subject to a Renaissance Zone project grew from \$6.9 million in 2005 to \$30.0 million in 2019. This is a 434% increase or 31% average annual growth. That is 1.6 times higher than the growth rate of the non-project properties.

- On average, the cost of the property tax incentive for Renaissance Zone projects is recouped within 2.3 years after the property re-enters the tax rolls.
- Completed Renaissance Zone projects between 2005 and 2019 have resulted in 11 retained, 19 expanded and 16 new businesses.
- The Renaissance Zone has provided for mixed-use and house opportunities downtown to help stimulate activity 24-7, seven days a week. Major projects are Mandan Place at 200 West Main and Collins Place. These have resulted in 56 additional housing units.
- The Renaissance Zone has supported smart use of public infrastructure. All of the aforementioned private investment uses streets, water, sewer and stormwater infrastructure that is already in place, allowing the City to optimize revenue relative to public cost.
- The aim of the City of Mandan, the Renaissance Zone Committee and City Business Development office will be to offer financial incentives, various tax exemptions and credits that will enhance desirable economic, residential and recreational opportunities through capital investment within the Zone.

The vision, goals and objectives established in this Plan are consistent with the City of Mandan's 2003 Downtown Redevelopment Plan and a Downtown Subarea Study adopted in 2018. The plans lists the following goals and objectives for the Central Business District (CBD), which encompasses a majority of the proposed renaissance zone:

- Make provisions for adequate parking for current and future businesses, employees and shoppers in the CBD.
- Encourage new businesses to locate in the CBD.
- Encourage all building owners to maintain their buildings in a suitable manner and where lacking, bring buildings into code compliance.
- Encourage a continued mix of uses in the CBD.
 - Commercial
 - Retail
 - Services
 - Government
 - Residential
- Encourage the preservation and if necessary, the restoration of any historical buildings in the CBD.
- Support activities to ensure an active, vital and prosperous CBD.
- Increase the attractiveness of the CBD.
- Promote mixed-use, pedestrian friendly environment. Challenge to address include landscaping to enhance the pedestrian experience, particularly in parking lots and along streets, historic preservation, and building appearance.
- Enhance streetscape with pedestrian scale lighting, furniture, art, landscaping and planters, signage and graphics.
- Improve alleys for pedestrians and as additional access points for businesses.

3. *Describe the intended duration of the zone and why an extension is needed.*

The Mandan Renaissance Zone has been in effect for 15 years. Considerable progress has occurred with significant projects by a variety of developers helping to elevate the image of downtown Mandan, but much work remains. Remediation of an underground fuel spill may be deemed complete by the N.D. Department of Environmental Quality in 2020. This will continue to boost confidence in investing in the area. The community is seeking to extend the duration of its Renaissance Zone by another five years, through 2025 for the majority of blocks, to achieve the vision for the area.

IV. Selection of Projects in the Zone

1. *Describe the criteria and process the city will use to select projects, within the zone to qualify for state tax exemptions and credits, and describe how the selection criteria support the jurisdiction's goals and objectives for the zone. The selection process must include some form of public participation.*

The Business Development Department and Renaissance Zone Committee will initially review each qualifying project (as determined by the minimum criteria outlined below). The review process will be used as a way to screen those projects qualifying as an approved Zone Activity. If the proposed project does qualify, the nature of the incentive package will be determined.

In addition to those incentives allowed under the Renaissance Zone statute, the City of Mandan may consider other incentives for a project including, but not limited to the following programs: Tax Increment Financing (TIF), and Mandan Growth Fund programs such as Storefront Improvement, Retail Incentives, or Bank of North Dakota interest buy-down programs.

Eligibility criteria for all potential projects are established as follows:

- a) Consistency with the Renaissance Zone Development Plan.
- b) Consistency with the City of Mandan's Downtown Redevelopment Study and Downtown Subarea Plan.
- c) Conformance with applicable City Ordinances.
- d) Taxpayer may not have been the beneficiary of a previous zone project for the same purpose at the same address.
- e) Property must be zoned according to its actual and proposed use.
- f) Purchases, leases or improvements may not be made prior to application approval.

Ineligible project proposals include the following:

- a) Proposals determined non-compatible with the City's Downtown Redevelopment Plan.
- b) Businesses whose primary income is derived from selling or providing any form of adult entertainment or adult services.
- c) Businesses whose primary income is derived from leasing space for storage or warehousing.

Capital Cost Definition

The cost incurred for the repair, replacement or renovation of a building's exterior, roof, structural systems, electrical/plumbing, heating/ventilation/air conditioning systems, windows,

exterior doors, elevator improvements and accessibility improvements. May consider other improvements that are integral to the building as well as site improvements needed to correct drainage problems that have resulted in building damage. Capital improvements do not include cosmetic repairs such as floor coverings, furnishings, and interior painting or cabinetry improvements/replacement.

Primary Residence Determination

This determination for owner-occupied, single family homes will be concluded according to North Dakota State Law as contained in the North Dakota Century Code. To verify primary residence, the City may review and/or request the following:

- City utility billings.
- Federal and State income tax returns.
- Physical occupancy of the home.

Additional eligibility criteria for rehabilitation:

Rehabilitation projects are any rehabilitation of an existing building, whether commercial or residential. All rehabilitation projects must meet the following standards:

- a) Commercial — State requirements are for at least 50% of building true and full value re-invested in improvements with at least 80% of the minimum for capital improvements.
- b) Commercial — Additionally projects must include a minimum investment of \$40 per square foot in capital improvements based on the square footage of the entire building excluding any basements or unoccupied upper level space. *The Renaissance Zone Committee may waive the latter provision for good reason.*
- c) Residential (owner occupied, single family homes) — State requirements are for at least 20% of building true and full value re-invested in improvements with at least 80% of the minimum for capital improvements.
- d) Residential (owner occupied, single family homes) — Additionally projects must include a minimum investment of \$15 per square foot in capital improvements based on the square footage of the entire building excluding any unfinished basements. The Renaissance Zone Committee may waive the latter provision for good reason.
- e) Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions visible on the exterior of the building; and

Additional eligibility criteria for new construction:

Investment of at least \$100 per square foot for all property types.

Additional eligibility criteria for commercial leases:

- a) Use consistent with the plan.
- b) Must be a new business moving into the Zone, an existing business expanding within the Zone, or the continuation of a lease by an existing Zone tenant in a building rehabilitated as an approved Zone project.
- c) No additional investment requirement if part of a Renaissance Zone project.

Additional eligibility criteria for leasehold improvements (commercial only):

- a) Use consistent with the plan.
- b) Must be a new business moving into the Zone, an existing business expanding within the Zone, or the continuation of a lease by an existing Zone tenant in a building rehabilitated as an approved Zone project.
- c) Applies to any improvements a leaseholder makes to their space to either expand or improve the efficacy of their business
- d) The level of investment should equal at least 50 percent of the current and true value of the space in the building.
- e) Include a minimum \$40 per square foot in capital improvements or permanent cosmetic improvements based on the square footage of the entire lease space.

Additional eligibility criteria for purchase with improvements:

Commercial

Level of Re-investment* as a Percentage of the Current & True Building Value	Percentage of Property Tax Exemption
Less than 19%	0%
20% to 35%	50%
36%-49%	75%
50% & More**	100%

Residential (Owner occupied, single family home)

Level of Re-investment as a Percentage of the Current & True Building Value	Percentage of Property Tax Exemption
Less than 10%	0%
10% to 19%	50%
20% & More **	100%

AVAILABLE TAX EXEMPTIONS & CREDITS

State Income Tax Exemptions

- A. Individual Income Tax Exemption:
 - 1. An individual taxpayer who purchases or rehabilitates a single-family residential property for the individual’s primary place of residence as an approved Zone project is exempt from up to \$10,000 of personal income tax liability for five taxable years beginning with the month the rehabilitation is complete.

B. Business/Investment Income Tax Exemption:

1. Any taxpayer that purchases, leases, undertakes leasehold improvements or rehabilitates residential or commercial property for any business or investment purpose as an approved Zone project is exempt from tax on income derived from the business or investment locations within the Zone for five taxable years, beginning with the month of purchase, lease, or completion of leasehold improvements or rehabilitation. The maximum amount of income that a taxpayer may exempt from tax under this subsection for any taxable year is \$500,000. The limitation applies to the sum of the exempt income derived from the taxpayer's business and investment interests in all zone projects.
2. If a zone project consists of a physical expansion of an existing building owned and used by the taxpayer for business or investment purposes, the amount of income exempt from tax is limited to an amount equal to the income derived from the business, or from the investment use of the building, during the taxable year multiplied by a ratio equal to the square footage added by the expansion divided by the total square footage of the building after expansion.

Property Tax Exemptions

A. Single-family Residential Properties:

1. The City will provide a complete exemption from ad valorem taxation on single-family residential property, exclusive of the land on which it is situated, if the property was rehabilitated by an individual for the individual's primary place of residence as an approved Zone project. A discounted exemption schedule shall apply for purchase with improvements equaling less than 20% of the structural value.
2. An exemption granted under this provision may not extend beyond five taxable years following the date of acquisition or rehabilitation.

B. Business/Investment Properties:

1. The City will grant a complete exemption from ad valorem taxation on buildings, structures, fixtures and improvements purchased or rehabilitated as an approved Zone project for any business or investment purpose. This exemption is exclusive of the land on which the structure is situated. The City also will grant a complete exemption from ad valorem taxation on leasehold improvements as an approved Zone project for any business or investment purpose. An exemption granted under this provision may not extend beyond five taxable years following the date of purchase or rehabilitation.
2. For leasehold improvements, lessee must provide evidence that they are the beneficiary of the property tax exemption on their pro rata share of the building.
3. For newly constructed buildings, the exemption shall include a deduction proportionate to the value of any buildings on the same site demolished since renewal of the Renaissance Zone in 2020. *The Renaissance Zone Committee may waive the latter provision for good reason.*

- C. The City reserves the right to limit the amount or duration of the local property tax exemption for projects receiving other local incentives as well for applications from recipients that have not produced desired results with past projects.

Historic Preservation and Renovation Tax Credits

- A. State Income Tax Credit:
1. A credit against state tax liability is allowed for investments in the historic preservation or renovation of property within the Renaissance Zone.
 2. The amount of the credit is 25% of the amount invested, up to a maximum of \$250,000.
 3. The credit may be claimed in the year in which the preservation or renovation is complete, and any excess credit may be carried forward for a period of up to five taxable years.
- B. Federal Income Tax Credit:
1. A credit of 20% of an investment is allowed for the rehabilitation of an eligible historic property that will be used for commercial purposes.
 2. In order to qualify for this tax credit, both the State Historical Society and the National Park Service must approve the project.

If the proposal is determined to be eligible, it will be presented at the next regularly scheduled Renaissance Zone Committee meeting. The Committee will further review the application for public benefits using the following criteria:

- Historic significance and aesthetic value of the existing building (or building to be constructed) and the extent to which necessary exterior and surrounding ground improvements are made to eliminate visibly deteriorated conditions.
- Occupancy of a previously vacant property.
- Business retention and expansion.
- Jobs retention and expansion.
- Increase in taxable value of property.
- Generation of sales tax revenue.
- The addition of products and/or services in the community that are missing or in short supply.
- Public comments prior to and at the meeting.

The Renaissance Zone Committee, at its option, may deny the proposal as submitted, request additional information or approve the proposal and forward its recommendation to the Mandan City Commission. The Mandan City Commission, at its option, may deny the proposal as submitted, send the proposal back to the Renaissance Zone Committee for additional information or approve the proposal. Upon approval of a proposal by the City Commission, the proposal will be forwarded to the North Dakota Department of Commerce - Division of Community Services for final consideration.

Utility Infrastructure Projects

Utility infrastructure projects are rehabilitation, new construction, or purchase with improvement projects that include rehabilitation of public infrastructure, including the burying of utility lines, as a component of the project.

- a) 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.
- b) A minimum of 80% of the project investment must be used toward capital improvements to the building and a maximum of 20% of the project investment can be used toward underground utilities. The overall project investment must meet the established minimum investment criteria for the type of project specified.
- c) The Business Development Department, with assistance from the Engineering and Planning Department, will monitor all public infrastructure projects through on-site building inspections conducted in conjunction with the rehabilitation projects. Additionally, all Renaissance Zone project costs and expenses must be verified prior to the submittal of final project documentation to the North Dakota Department of Commerce – Division of Community Services.
- d) Applicants for public infrastructure projects are eligible to receive up to 100% property tax exemption on the building and improvements for five years beginning with the date of completion and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion.
- e) The City of Mandan agrees to work with the State Board of Equalization to determine the property tax exemption for utility projects.

V. Renaissance Fund Organization

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

VI. Local Commitment

1. *Provide the results of at least one legal public hearing. If more than one public hearing is held, provide the results of each. Identify how many people attended the hearing.*

The City of Mandan held a public hearing Aug. 4, 2020 regarding renewal and expansion of the Renaissance Zone. The City Commission received recommendations from the Mandan Renaissance Zone Committee for updates to the Renaissance Zone Development Plan including the addition of nine blocks and new minimum investment thresholds.

The City Commission, on a vote of 5 yes, 0 no, approved the Renaissance Zone Development Plan as recommended by the Committee.

The section of the City Commission minutes related to the Renaissance Zone Development is contained in Appendix C.

2. *Describe issues raised at the public hearing and how the jurisdiction handled them.*

A public hearing was held Aug. 4, 2020. The Commission meeting was publicized through a legal public notice and additional City of Mandan public information procedures. No public comments for or against the zone were recorded.

3. *Describe the efforts to involve the public and results.*

The Mandan Renaissance Zone Committee is made up of a variety of interests to including elected officials, private sector businesses, property owners, and Mandan residents.

Information about plans to update and expand Mandan's Renaissance Zone was included with in invitation to provide input in a Business Brief sent April 23, 2020, to all businesses for which the Business Development Department has email addresses.

A letter was mailed June 30, 2020, to all property owners in blocks adjacent to the existing zone boundaries with a response form asking about their support for expansion of the Renaissance Zone and interest in potential future projects.

A letter was mailed July 9, 2020 to property owners in the existing boundaries of the Renaissance Zone to ask about their support for renewal of the Renaissance Zone, interest in potential future projects and suggestions for any additions to the zone.

A news release was issued July 8, 2020, regarding the possible renewal and expansion of the Renaissance Zone and to publicize the scheduling of a public information meeting on July 21, 2020. The public information meeting was attended by four people.

4. *Provide evidence of community support and commitment from residential and business interests.*

See attached correspondence in Appendix D.

5. *Provide a resolution from the city agreeing to approve the tax exemptions and credits provided for the Renaissance Zone Act.*

See attached Resolution in Appendix E.