

OPPORTUNITY

MADE IN MANDAN



AFTER

PURPOSE OF PROGRAM

In 1999, the North Dakota Legislative Assembly approved the Renaissance Zone Act to provide tax incentives to encourage investment in downtown or other blighted properties.

TAX INCENTIVES

BUSINESS/COMMERCIAL PROPERTIES

- Up to 100% exemption from property taxes for 5 years
- 100% exemption from state tax on income derived from business or investment location for 5 years (up to \$500,000 of taxable income)
- Transferable exemptions with sale or lease

PRIMARY RESIDENCES

- Up to 100% exemption from property taxes for 5 years
- 100% exemption from state individual income tax (up to \$10,000 annually) for 5 years
- Transferable exemptions with sale



BEFORE

Property tax exemptions are provided on the value of buildings as improved. Taxes are still assessed on associated land. Additional incentives may be available for historic properties.

EXAMPLE OF PROPERTY TAX BENEFITS:

Original value of commercial building:	\$150,000
You invest:	\$75,000
Value with improvements:	\$225,000
Estimated savings over 5 years:	\$14,934

The City Assessor will assist with the estimated value of a building with improvements once an investment amount and project plans are provided. Visit with your accountant or tax preparer to estimate state income tax savings.



BEFORE

Since the Renaissance Zone was established in 2005, \$24 million in private sector investment has been committed to 45 buildings being newly constructed, expanded or rehabilitated.



AFTER

Mandan's Renaissance Zone is so far playing a role in retention of 11 businesses, expanding 21 businesses and attracting 16 new businesses. The increase in value of completed projects is three-fold from an initial base value of about \$6.7 million. The program has also helped with important mixed-use infill projects that added 28 market rate housing units and 29 affordable housing units in the downtown area.



MORE INFO ON THE WEB

For an application and more information, see www.cityofmandan.com/renaissance or call the Business Development Department, phone 701-667-3485.

Renaissance Zone



PROPERTY & STATE INCOME TAX INCENTIVES FOR REVITALIZING DOWNTOWN MANDAN



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MANDAN RENAISSANCE ZONE

Mandan's Renaissance Zone consists of 37 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.



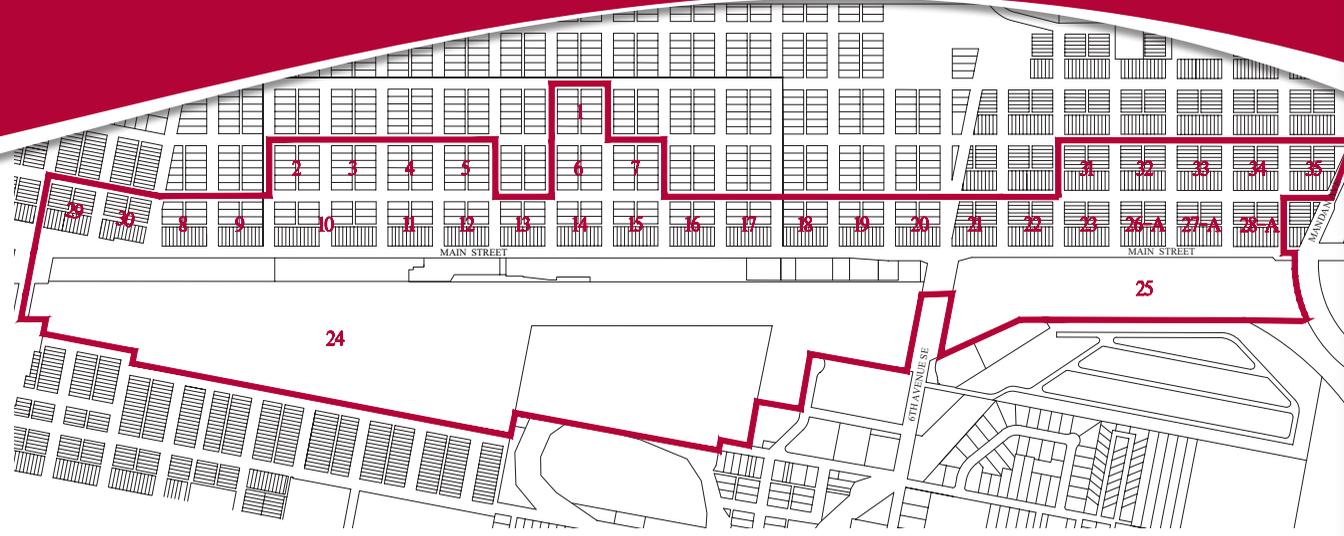
BEFORE



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QUALIFYING INVESTMENT

COMMERCIAL PROPERTIES

- Purchase with improvements
 - At least 20% investment to qualify for a 50% property tax exemption
 - At least 36% investment to qualify for a 75% property tax exemption
- Renovation or expansion
 - At least 50% investment with a \$40 psf minimum and at least 80% of minimum for capital improvements to qualify for a 100% property tax exemption
- New construction
 - At least \$100 investment per square foot
- Leasehold improvements
 - Investment of at least 50% on the space being improved with at least 80% of minimum for capital improvements and at least \$40 psf
- Lease of commercial property constructed or rehabilitated as a Renaissance Zone project



PRIMARY RESIDENCE

- Purchase with improvements
 - At least 10% investment to qualify for a 50% property tax exemption
- Renovation or expansion
 - At least 20% investment with a \$15 psf minimum and at least 80% of minimum for capital improvements and no more than 20% of minimum for a detached out building to qualify for a 100% property tax exemption

Investment requirements are based on the City Assessing Department's true and full value for buildings.

APPLICATION PROCESS

Applications must be approved before improvements begin. A Renaissance Zone project must be approved by the Mandan Renaissance Zone Committee, the Mandan City Commission, and the North Dakota Department of Commerce before an eligible purchase, rehabilitation, new construction project or lease of the property begins. A Certificate of Good Standing from the North Dakota Tax Department is also required along with a business incentive agreement. Please allow 3 weeks for the review process.

In addition to minimum investment requirements, applications are evaluated based on public benefit and goals and objectives for the program such as:

- Maintaining and expanding existing businesses.
- Including a street level commercial/retail use and off-street parking for any new construction project.
- Reinforcing emerging entertainment, health, office, service and retail uses with compatible uses.
- Encouraging mixed use development and redevelopment of upper levels of existing buildings as residential apartments.
- Upholding Mandan's heritage with historic preservation and adaptive reuses of historic buildings.

Improvements made before approval are not eligible.