

Renaissance Zone Board Meeting
Meeting minutes for May 11, 2018
Public Works Building

Members Present: Pete Hugret, Terri Aldrich, Barry Clute, Mike King, Jen Cook

Members Absent: Chad Vogel, Denise Lindbo, Betty Fedorchak, Kerry Candiran

Others Present: John Zakian, Alderman Josh Wolsky, Lance Lang, Sue Nilson

Chairman, Pet Hugret called the meeting to order at 8:35 AM.

Minutes from the April 26, 2018, meeting were approved.

Several documents were handed out at today's meeting (see attached). Two of the handouts were spreadsheets. One of them was created by the Planning Department and the other was created by the Assessor's office, both showing all the Ren Zone projects. They don't match and will be reconciled between the two department and will also be reconciled with the State of ND. Zakian will reach out to the projects that were conditionally approved but never completed.

Zakian has been in contact with the State of ND Renaissance Zone Program Administrator, Rikki Roehrich. It has come to light that City of Minot's Renaissance Zone has been out of compliance for years in a variety of ways. The island that was created along North Broadway has 4 blocks where only 3 area allowed. The blocks shown in blue on the map (see attached) are marked as completed. "Completing" a block is not an option in the Ren Zone. If a block is finished it needs to be formally deleted. Once a block is identified for deletion or addition, the following procedure needs to take place:

1. Property owners within the block must be notified
2. A public hearing must take place for comment
3. City Council must approve the deletion
4. The recommendation from Council is sent to the State for final approval

A deleted block can't be reinstated unless there is a good reason. Each reinstatement will be looked at on a case by case basis.

Half blocks are allowed, however, the initial 34 blocks must already exist. Half blocks are blocks that contain a government building but is not owned entirely by the government.

Natural boundaries such as a river can be used to help keep blocks contiguous. Zakian will clarify with the State whether flood control/greenspace would also be considered a natural boundary.

It is at the City's discretion whether to allow the tax benefits on lapsed projects. Hugret suggested that applicants be given 5 years to complete the project. There was general agreement that a deadline needs to be established.

Cypress Assets is asking for final approval to the project located at 108 1st Ave SE. Known on the Cypress website as 1st Avenue Condos. This is the same company that built the parking garages downtown.

Zakian has requested receipts from them showing the amount of money spent on the project and will also request a current Certificate of Good Standing and proof that the property taxes have been paid to the County.

Amendments and Changes to the Development Plan. It is up to the local government to determine the requirements in the Development Plan. For instance, a tax benefit does not have to be granted for just purchasing a property without improvement and Zakian noted that two of three cities larger than Minot in their Renaissance Zone Development Plans do not grant tax benefits for purchases. The Ren Zone Board can't grant benefits to a rehab project when money has already been spent prior to the approval. If, however, an applicant can demonstrate an emergency, the Board can count purchase/leasehold payments but the applicant must file the application within 30 days of signing of the lease or purchasing the property with the emergency justification. This only applies of the Renaissance Zone Development Plan allows benefits for purchases/leasehold payments, and there is no exception allowed for rehabilitation or improvement capital expenses under the state Century Code.

The City of Minot has been approved for the Opportunity Zone. In 2 to 3 weeks it is expected the IRS will publish the rules for each city with requirements to grant benefits. The City of Minot will have to create an entity to manage the program and it is the hope that it can be combined with the Ren Zone Board duties.

Wolsky is working on suggested changes to the Development Plan and hopes to have them for the Board to review at the next meeting.

Zakian would like to schedule a workshop meeting in July for the Board to go over the Development Plan in detail.

On Monday, June 4th, the City Council should approve the recommendation that they made to themselves at the Committee of the Whole meeting this week setting fees for a Ren Zone application. The fees will be \$150 for a residence and \$500 for a commercial project.

Meeting adjourned at 9:48 AM.