

CITY OF
DICKINSON
 North Dakota

Planning Staff Report

To: Planning and Zoning Commission
From: City of Dickinson Development Team
Date: December 13, 2023
Re: Renaissance Zone Development Plan Amendments

APPLICANT

Name: City of Dickinson Development Services
 Address: 38 1st Street West
 City: Dickinson ND 58601

Public Hearing:	December 20, 2023	Planning and Zoning Commission
Final	January 2, 2023	City Commission
Consideration		

EXECUTIVE SUMMARY

City Development Services staff recommends approval of the following changes to the Renaissance Development Plan:

- Increasing the tax exemption period for residential rehabilitation projects from five years to eight years;
- Increasing the benefit period for commercial projects to eight years if the investment amount is least 75% of the current true and full value;
- Allowing properties that had previously received Renaissance Zone benefits additional benefits after 30 years have lapsed from the completion of the initial project; and
- Allowing for two exceptions, or “islands”, to the primary contiguous zone.

CONTEXT

A. Background – During the 2023 session of the North Dakota State Legislature approved several amendments to Chapter 40-63 Renaissance Zone of the North Dakota Century Code. Among those changes are the following:

- Increasing the tax exemption period for residential rehabilitation projects from five years to eight years;
- Increasing the benefit period for commercial projects to eight years if the investment amount is least 75% of the current true and full value;
- Allowing properties that had previously received Renaissance Zone benefits additional benefits after 30 years have lapsed from the completion of the initial project; and
- Allowing for two exceptions, or “islands”, to the primary contiguous zone.

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Those changes were signed into law by the governor.

Staff of the North Dakota Division of Community Services advised City Development Services staff that cities need to amend their local Renaissance Zone Development plans before impending the recent changes to Chapter 40-63 of the N.D.C.C.

On October 18, 2023, Development Services staff briefed the Planning and Zoning Commission on the State Renaissance Zone program changes. Staff was directed by the Planning and Zoning Commission to go forward with amendments

- B. Major Issues** – According to State Community Services staff the changes Chapter 40-63 N.D.C.C. were based upon input the State received from cities participating in the Renaissance Zone program.

Increasing the tax exemption period for residential rehabilitation projects from five years to eight years could serve to increase the number of residential rehabilitation projects.

Approval of the proposed amendments could potentially expand the number of Renaissance Zone projects within the City, and, in some instances, the amount of investment in commercial projects.

Approval of the proposed amendments would allow the redevelopment or expansion of completed Renaissance Zone projects 30 years after completion. This could allow for those properties to become commercially competitive in an economy that has changed since the original project has been completed.

Approval of the proposed amendments would also allow the City to amend its current Renaissance Zone to designate a second noncontiguous “island”.

PUBLIC INPUT

As of the date of this report, City staff has not received any public comments.

ANALYSIS AND DISCUSSION

Development Team staff recommends approval of the amendments to the City of Dickinson Renaissance Zone Development based upon the following findings:

The proposed amendments are consistent with the following policies found in **Chapter 3 –Local Economy and Economic Dickinson 2035: Roadmap to the Future Comprehensive Plan:**

- Policy 1.3-The City shall actively promote the Renaissance Zone, and determine if the city and investment community are interested in establishing a Renaissance Fund Organization (RFO). The purpose of a RFO is to raise funds to be used to make investments (e.g. equity investments, loans, guarantees, commitments for funding, etc.) in Renaissance Zone properties; and
- Policy 1.3. – The City should consider providing financial (fee waivers, revolving loan, grants, etc.) and/or regulatory incentives to increase participation in the Renaissance Zone program.

The proposed amendments are consistent with the following Renaissance Zone Mission as found in the **Renaissance Zone Development Plan:**

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The mission of the zone is to create opportunity, encouragement, and support to property owners and leases of properties in the Dickinson Renaissance Zone with the anticipation that business climate and the attractiveness of zone buildings is greatly improved.

Attachments:

- A - Proposed Text Amendments

MOTIONS:*****Approval*****

I move the City of Dickinson Planning and Zoning Commission recommend Approval of the amendments to the City of Dickinson Renaissance Zone as being compliant with the City of Dickinson Comprehensive Plan and also being in the interest of the public health, safety and welfare. (AND) the following additional requirements **(IF THE PLANNING AND ZONING COMMISSION RECOMMENDS ANY ADDITIONS AND/OR DELETIONS TO THE PROPOSED MOTION LANGUAGE):**

1. _____;
2. _____.

*****Denial*****

I move the Dickinson Planning and Zoning Commission recommend Denial of the City Renaissance Zone Development Plan amendments as NOT being compliant with the City of Dickinson Comprehensive Plan and as being contrary to interest of the public health, safety and welfare.

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ATTACHMENT A – PROPOSED TEXT AMENDMENTS**VI. RENAISSANCE ZONE PROJECT SELECTION MINIMUM CRITERIA**

As part of the 2004 Renaissance Zone Development Plan minimum criteria were established for assessing the appropriateness of proposed zone projects. Listed below are those criteria.

- The project meets one of the objectives listed in the Goals and Objectives of the **Renaissance Zone Development Plan**.
- To be considered an eligible zone rehabilitation project, a **residential property owner** must invest at least 20% of the full and true value of the property. The City may grant an exemption of up to eight years for residential rehabilitation projects.
- To be considered an eligible zone rehabilitation project, a **commercial property owner** must invest at least 50% of the full and true value of the property. The City may grant an exemption of up to five years if the investment is at least 50% of the full and true value of the property. To receive a benefit exceeding five years, a rehabilitation project must exceed 75% of the current true and full value of a commercial or commercial residential project. The maximum number of years of an exemption is eight years.
- Any property within the zone, which is in good condition may qualify for an exemption if they improve the property value by at least 20%, unless the project involves restoring the original front by removing a modern false front of a building. In that case, the project may be considered eligible for an exemption as it may meet one the objectives of the Zone.
- Properties that have received previous Renaissance Zone benefits may be eligible for additional benefits after 30 years have elapsed from the completion of the initial project.
- To be eligible for a purchase exemption as defined by State law, a property purchased within the Zone must need rehabilitation as identified by the City and the new owner must commit to improving the property.
- Leased business space may qualify as a Renaissance Zone project if the lease meets the Goals and Objectives of **the Renaissance Zone Plan**.

VII. ADDITIONS TO THE RENAISSANCE ZONE

Section 40-63-03 of the North Dakota Century Code states that a renaissance zone shall not be more than thirty-four square blocks, except in a city with a population of greater than five thousand the renaissance zone may exceed thirty-four square blocks at the rate of one additional block for each additional five thousand population to a maximum size of forty-nine blocks. Population is based upon the most recent federal decennial census or federal census estimate. Additionally, Section 40-63-03 of the North Dakota Century Code allows for two exceptions, or “islands”, to the primary contiguous zone. Each island can be up to three contiguous blocks. The total blocks contained in these exemptions is counted in the City’s total block number.

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ATTACHMENT B – AGENCY COMMENTS

