

CROSBY DEVELOPMENT PLAN

CROSBY RENAISSANCE ZONE FIVE-YEAR EXTENSION

Crosby Planning & Zoning Approved 6/29/2020
Crosby City Council Approved 7/14/2020

RENAISSANCE ZONE EXPANSION

Crosby Planning & Zoning Approved 2/21/2023
Crosby City Council Approved 3/6/2023

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Attachments

Crosby Renaissance Zone Property List Blocks 1-22 (Updated 2020)

Crosby Renaissance Zone Expansion Property List Blocks 23-34 (March 2023)

Crosby Renaissance Zone Map – Updated 3.6.2023

Appendix A – Explanation of why the extension is needed.

Appendix B – Minutes from the Planning and Zoning Public Hearing

Appendix C – Minutes from the City Council Meeting

Letters of Support from Divide County Commission and the Divide County School District for a five-year extension of a Renaissance Zone

Appendix D – Renaissance Zone 13-Block Expansion

Appendix E-- Crosby Planning & Zoning Public Hearing Minutes

Appendix F—Minutes from the City Council Meeting

I. Description of the Proposed Renaissance Zone

There are approximately 55 businesses, 101 single-family homes, 8 apartment complexes, 6 public and semi-public use buildings, and 30 vacant lots or buildings in the Renaissance Zone. The Zone also contains government properties on three blocks. Block 2 contains the US Postal Service Building. Block 5 contains the City Hall of Crosby and the USDA FSA Government Building. Block 19 contains the Divide County School District High School Building. For a more detailed list of properties in the Renaissance Zone please see the attached list.

The proposed Renaissance Zone for Crosby includes several potential historical and natural assets and sites. Historical Buildings and Sites include:

- Dakota Theatre – The Theatre is owned and operated by a non-profit organization, Meadowlark Arts Council, and used as a community theatre. The theatre is also used by community businesses and organizations that give presentations to groups of people. This is a historical building built in 1938. The inside and outside of the building has been renovated but has preserved its original look and feel. The Meadowlark Arts Council relies upon donations and gifts to keep the theatre alive and with the Renaissance Zone they will be able to use tax incentives to help keep the building in good shape. A potential Renaissance Zone project for the Dakota Theatre is to replace the front doors and restore the marquee.
- Crafts 4-U and Auto Value - These buildings on Main Street have maintained their original unique architecture from when they were built in 1915. The Renaissance Zone and historical tax credits would allow them to make the investments needed to keep the exterior look of the buildings, which enhances the look of Crosby's Central Business District.
- Pleasant Pheasant Fabrics – This building was built at the same time that Crafts-4-U and Auto Value were built and has the same architectural design. The building is currently being used for a Fabric Store. The designation of Historical Building along with the Renaissance Zone and potentially Crosby's Exterior Improvement Grant, can provide the current owner with an opportunity to renovate the store front, while maintaining the historical features of the building.
- Crosby Flats – Formerly, the Old Citizens Bank Building, was built in 1917 and today looks exactly like it did when it was built. The building recently underwent a major restoration and rehabilitation and the Renaissance Zone designation would allow a potential business to take advantage of leasing the commercial space, which will aid in recruitment efforts for that space.
- Divide Burke Abstract Co. - The Old Penney Building, built in 1917 and renovated in 1999 has maintained its interior and exterior appearance. The Renaissance Zone designation will allow the owners to attract potential tenants for the office space by being able to give them tax credits.
- Prairie Tumbleweeds Fitness Center – This building was built through a WPA Project in the 1930's. It is currently run by a non-profit community organization that has a fitness center and gymnastics club in the building. Donations from individuals would be able to receive the Historic Tax Credit.

- Stubbs Builders, Inc., former the BNC Bank Building was built in 1917 and had always been used as a bank. The exterior has not been changed and the designation of Historical and the preservation of the building will enhance the Crosby downtown area and provide incentives for a long-term business.

The City of Crosby has adopted State Building Code and State Energy Code and there are no other regulatory burdens that may affect renovation of historic properties.

II. Management of the Renaissance Zone

As part of its responsibility to provide for the city's orderly development, the City of Crosby Planning Commission will administer and oversee all zone activities. All zone projects will be presented to and reviewed by the Planning Commission. Upon completion of review, each project will be presented to the Crosby City Council for approval. *The presentation shall include a summary of the project, an estimated budget, a description of community benefit, a summary of tax benefit and impact, and the recommendation of the Planning Commission.* Meetings of each board are open to the public.

Monitoring of zone activities and projects, and maintenance of all reportable information will be the responsibility of the Planning Commission. Critical staffing requirements to implement the program will include the Crosby City Auditor, the Divide County Director of Tax Equalization, the Divide County JDA Director, and a building official. A description of the anticipated role and duties for each follows:

Crosby City Auditor

- Liaison between staff, Planning Commission, City Council
- Oversees development of information reports and application forms
- Oversees development of building permit and inspection process
- Full knowledge of program procedures and process
- Provides procedure training and education
- Supports program marketing efforts

Divide County Director of Tax Equalization

- Ensures program compliance with State Tax Code
- Records and tracks tax exemption information and transactions
- Develops format and prepares project tax benefit and impact summaries
- Prepares reports required by State Tax Department
- Conducts tax assessments prior to start of project, upon completion of project and when tax exemption ends

Divide County JDA Director

- Liaison between project applicant and program process & procedure
- Prepares application for presentation to the Planning Committee
- Makes project presentations to Planning Committee and City Council

- Gathers and maintains reportable information
- Full knowledge of program procedures and process
- Markets and promotes Zone program and provides public information
- Provides staff support to Planning Commission for development and implementation of the Renaissance Zone Development Plan
- Notify the Tax Director when the final project approval is completed, so the starting and ending assessment years can be determined
- Send the applicant the letter from the Division of Community Services as well as a letter briefly explaining the property tax benefit years as determined by the Tax Director
- Liaison between the City and the State to ensure the integrity of reportable information and compliance with State reporting requirements

Building Official -

- Assures that all construction, renovation, and remodeling will comply with the State Building Code, State Energy Code, and Americans with Disabilities Act Accessibility Guidelines (ADAAG)
- Determines project work items required to meet code requirements
- Inspects construction activities as required to ensure code compliance
- Provides Completion Certificate to Planning Commission

The Divide County JDA and local development corporation will coordinate promotion activities of the Renaissance Zone program. The JDA Director will work closely with the Planning Commission and City Council to ensure that the marketing message is consistent with the development goals and objectives of the city. The marketing strategy will consist of:

- Utilizing the local newspaper for informing and educating the public at large
- Community presentations
- Direct mailings to all property owners within zone boundaries
- Informational meetings with zone business owners, realtors, lenders, contractors and utility providers
- Development of informational & marketing materials (info sheets, posters, etc.)
- Providing annual progress reports to media and on file at the community library
- Chamber of Commerce newsletter articles
- Community website postings

Compliance with State Building Code, State Energy Code and ADAAG will be assured through a building permit, inspection, and completion certificate process. Currently the city requires that building permits be obtained when conducting construction, remodeling and renovation projects. However, a Building Official may be necessary for conducting inspections of the projects and other duties. Initially, the city may contract for the building official duties and inspections with an official within the Region which includes Williston. The City Council may at some point provide for training of a city or county employee to take over the Building Official responsibilities.

Each zone project application will be evaluated for community benefit and to determine that the project considers the development goals and objectives of the city. Research will be conducted to the extent necessary to assure that a project is not merely a restructuring of ownership to make a taxpayer eligible for tax exemptions and/or credits. Information on both the buying and selling parties will be obtained through the application process. Zone applications in which partnerships and/or corporations are involved will require full disclosure of all ownership interests. The ND Office of State Tax Commissioner will be utilized to verify ownership.

III. Goals and Objectives of the Zone

EXCERPTS FROM THE 2013 ECONOMIC DEVELOPMENT STRATEGIC PLAN

In March of 2013 as a collaboration between Divide County and Vision West ND, Divide County received their final economic development strategic plan. This plan was developed over the course of several months which included public input meetings followed by the formation of a steering committee comprised of several public officials and community members. Some of the Community and Economic Development Strategies that were derived as areas of importance from the plan included: business recruitment; business retention and expansion; downtown development; and entrepreneurial development.

An excerpt from the plan states: “The communities in the county, Crosby in particular, have identifiable central business districts that create a hometown feel in the midst of phenomenal economic growth. Crosby has a healthy downtown set against a stunning courthouse that creates a positive small-town vibe. A proactive approach to building and enhancing the downtown will benefit other strategies that depend upon the appearance and health of the community.”

DEFINED NEEDS:

- Rehabilitation is needed to bring older housing stock up to current standards.
- Uninhabitable structures need to be removed.
- There is a need for affordable housing. (Ability to get into housing for 30% of adjusted gross income)
- New housing units are needed, particularly single level residences.

GOALS/ACTIONS:

- Explore forming a Renaissance Zone Advisory Committee.
- Develop a housing program to:
 1. Raze uninhabitable structures
 2. Conserve existing units in good condition
 3. Redevelop areas deteriorating and blighting
 4. Foster new development where infrastructure exists (SE part of town) –

- Explore neighborhoods that could be targeted for a Renaissance Zone.
- Implement policies and activities that address redevelopment concerns in the Central Business District.
- Preserve the integrity of the city's residential sections.

As part of a community effort to address the defined needs and goals of the General Plan, the City of Crosby is pursuing a five-year extension of the Renaissance Zone program to provide investment incentives to revitalize defined areas within the community. The Central Business District is the core of the community and has been targeted for the initial focus of the program. Addressing additional residential issues beyond those in the Central Business District will be pursued in the near future.

The vision that the community has for the zone has been defined by visualizing what the zone will look like at the end of the 5-year duration period. The City imagines a vibrant area that contains essential services needed in the community. Vacant lots have been filled with new buildings and homes. Deteriorated buildings have been removed and replaced. To the extent possible, old buildings have been refurbished and now add to the character of the district. Retail business offerings have been expanded and small businesses flourish. Space within the zone is being fully utilized. Community residents are proud of the area and potential recruits are impressed with the vibrancy of the heart of the community. The impact of the program motivates potential new residents to choose Crosby as their new home to live and work.

The goals of the program are:

1. To create an inviting visual atmosphere in the Central Business District.
2. To retain and expand essential services and retail offerings.
3. To promote new business development.
4. To maintain and grow the community's population
5. To expand updated and affordable housing options within the zone.
6. To provide reinvestment in the area that will spur further community development.

Time Line and Benchmarks for the Crosby Renaissance Zone

1. 2020-2025
 - a. Successful transfer of ownership for three or more commercial businesses
 - b. Identify and recruit a primary sector business
 - c. Have three or more residential rehab projects
 - d. Have three or more commercial business expansions or renovations

IV. Selection of Projects in the Zone

Selection of projects applying for zone status and benefits within the zone boundaries will be based on the minimum criteria established below. Projects approved for zone status will be consistent with the vision, goals and objectives of the zone and will be perceived as a benefit and asset to the community. Each zone project application will be evaluated on a case-by-case basis. The degree of benefits granted to a project selected for

approval will correlate with perceived benefit to the community and its development goals.

Community Incentives:

- Demolition of publicly-owned dilapidated buildings
- Property tax relief on the difference in taxable valuation from current value to value with improvements. Some property tax relief on purchases within the Zone.
- Act as sponsor agent for low cost capital.
- Provide funding for the administrative function of the program.
- Encourage infrastructure updates.

Minimum Criteria:

For Existing Buildings Renovated or Expanded for Commercial Purposes

The project shall qualify by meeting the following criteria:

- The project is consistent with the goals and objectives of the program
- Proposed capital improvements must substantially improve the life expectancy of the property. It includes, but is not limited to, replacement or updating of roof, foundation, structure, siding, windows, doors, electrical, plumbing, heating and cooling systems. It does not include new floor covering, window treatment, wall coverings, cabinets or furnishings.
- Reinvestment totals no less than 50 percent of the current true and full valuation of the building
- Improvements must comply with applicable codes
- The investment is not simply a restructuring of ownership

The community incentive offered on approved Renaissance Zone projects in this category may include a property tax exemption of up to 100 percent for five years on the value associated with the improvements.

Existing Building Renovated or Expanded for Residential Purposes

The project shall qualify by meeting the following criteria:

- The project is consistent with the goals and objectives of the program
- Proposed capital improvements must substantially improve the life expectancy of the property. It includes, but is not limited to, replacement or updating of roof, foundation, structure, siding, windows, doors, electrical, plumbing, heating and cooling systems. It does not include new floor covering, window treatment, wall coverings, cabinets or furnishings.
- Reinvestment totals no less than 20 percent of the current true and full valuation of the building
- Improvements must comply with applicable codes
- The property is the taxpayer's primary residence.

- The investment is not simply a restructuring of ownership

The community incentive offered on approved Renaissance Zone projects in this category may include a property tax exemption of up to 100 percent for five years on the value associated with the improvements.

New Construction of Commercial or Residential Structures or Additions

The project shall qualify by meeting the following criteria:

- The project is consistent with the goals and objectives of the program
- The new structure complies with applicable codes

The community incentive offered on approved Renaissance Zone projects in this category may include a property tax exemption of up to 100 percent for five years on both commercial and residential projects. Commercial projects will be reviewed on a case-by-case basis to determine if there are substantial public investment required resulting from the commercial project. As with all approved Zone projects, the City reserves the right to grant property tax exemptions less than the maximum amounts stated.

Purchases of Commercial or Residential Properties

The project shall qualify by meeting the following criteria:

- The project is consistent with the goals and objectives of the program
- The structure complies with applicable codes
- The investment is not simply a restructuring of ownership

For approved residential zone project purchases, the City may grant up to a 100 percent property tax exemption for five years. Commercial property purchases may qualify for a 5-year tax exemption to be determined on a case by case basis by the City of Crosby. However, in the case of business transfers each project will be analyzed to determine what is required to enable the successful transfer of business ownership.

Leasing of Commercial Property

Tenants shall qualify for a zone project if any of the following criteria is met:

- The tenant is leasing commercial space in a building that has been approved as a zone project
- The tenant leases new or expanded space in the zone
- The tenant starts a new business in the zone
- Other lease opportunities shall be looked at on a case by case basis

Approved projects in this category will be eligible for business income exemptions, not property tax exemptions.

The application process to receive approval for zone project status follows:

1. An application will be submitted to the JDA Director.

2. The JDA Director will review the application for completeness and will gather any additional information needed for decision-making. The JDA Director will conduct verifications required to comply with the program rules and policies.
3. The JDA Director will forward the application to the Planning Commission and City Auditor for their review. The application will also be forwarded to ND Department of Commerce for comment.
4. The Planning Commission will review the application and provide a recommendation to the City Council. Review of the project will take place at an official Planning Commission meeting that is open to the public. Public hearings on applications will be held if the Planning Commission feels there is a need to obtain further information from the public.
5. The City Council will approve or disapprove the application and submit their determination to the ND Department of Commerce to have the project certified as a zone project.

V. Renaissance Zone Fund Organization

The City of Crosby will not create a Renaissance Zone Fund Organization at this time.

VI. Local Commitment

The City of Crosby recently approved a commercial exterior revitalization grant for some commercial areas within the community. The goals of that program align well with the goals of the Renaissance Zone. These two programs can work together simultaneously proving a great benefit to the commercial business owners and to the overall appearance and atmosphere of the community.

In March of 2020, KayCee Lindsey Divide County Job Development Authority Director approached the City of Crosby to see if they would be interested in pursuing a five-year extension of the current Renaissance Zone. At that time, the board had indicated to move forward with the process for extension. In June of 2020, the request for letters of support were made to both the Divide County Commissioners as well as the Divide County School District. The Divide County Commission approved signing a letter of support on June 16, 2020 but wanted to make sure that it was known to the Crosby Planning and Zoning Commission that they would like to see the zone expanded to include more blocks, to give other areas of the community an opportunity to take advantage of the program.

The Crosby Planning and Zoning Commission was unable to meet for the legally scheduled public hearing meeting date of June 15, 2020 due to a lack of a quorum. At the time of the scheduled meeting, there was no written public comment, nor was there anyone from the public that came to the advertised meeting date to express questions, thoughts or concerns regarding the proposed five-year extension of the Renaissance Zone. These meetings are open to the public. The proposed development plan and

supporting documents were heard at the next public meeting of the Planning and Zoning Commission, which was held on June 29th, 2020. Board members present included Troy Vassen, Steve Dhuyvetter, Kjell Vassen, and Jerry King, Board members absent included Traci Lund and Gary Brecht. Other members present at the meeting include Sabrina Ferguson, City Auditor; Alexa Kruger, Deputy City Auditor; Seymour Jordan, City Attorney; KayCee Lindsey, Job Development Authority Director; Brad Nygaard, The Journal Newspaper. There was no written comment, nor were any verbal comments from the public made in regards to the proposed five-year Renaissance Zone extension.

KayCee Lindsey took the commission through the proposed development plan, property descriptions, the Letter of Support from the Divide County Commission, Appendix A (reason for the extension) and a proposed updated application. Discussions were had on parts of the plan and changes made reflecting those. The board recommend to the Crosby City Council for approval of the five-year extension. At the July 14, 2020 meeting, the Crosby City Council approved the documents and extension as recommended by the Crosby Planning and Zoning Commission.

In February of 2023 the Crosby Planning and Zoning Commission held a public hearing about the 13 block expansion to the existing Renaissance Zone. No members from the public were present. The commission made a recommendation to the Crosby City Council to move forward with the proposed addition of the 13 blocks.

In March of 2023 the Crosby City Council moved to process with the recommendations brought forward from the Crosby Planning and Zoning Commission for the expansion of the existing Renaissance Zone to include 13 additional blocks, bringing the total blocks to 34.