

Table of Contents

Page

I. Description of the Proposed Renaissance Zone	1
II. Management of the Renaissance Zone	2
III. Goals and Objectives of the Zone	4
IV. Selections of Projects in the Zone	6
V. Renaissance Fund Organization	8
VI. Local Commitment	8

Attachments

Crosby Renaissance Zone Property List

Crosby Renaissance Zone Map

Appendix A – North Dakota Renaissance Zone Application

Appendix C – Resolution for the Establishment of a Renaissance Zone

Letters of Support from Community for the Establishment of a Renaissance Zone

I. Description of the Proposed Renaissance Zone

There are 58 businesses, 82 single-family homes, 4 apartment complexes, 13 public and semi-public use buildings, and 34 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 put the original neon lighting back on the storefront.
- Masonic Building - This building has been used by different Community Service Organizations since it was built in 1927. Currently Kiwanis has meetings in the building. The Masons have not been active and there is potential that this building could be sold or given to a different community based organization for use. A potential Renaissance Zone project for the Mason building would be to renovate the inside of the building to be able to house art exhibits for the Meadowlark Arts Council.
- Joraanstad's and Mann's Auto - These buildings on Main Street have maintained their original unique architecture from when they were built in 1915. Local business people currently own them. 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.
- Crosby Drug – This building was built at the same time that Joraanstad's and Mann's Auto was built and has the same architectural design. The building and business are currently for sale and the designation of Historical along with the Renaissance Zone will enable the community to offer incentives to anyone looking to purchase the business and/or building.
- Doug Welch Building - The Old Citizens Bank Building was built in 1917 and today looks exactly like it did when it was built. Doug Welch has plans to renovate the building to be able to use the building for office space. The building needs major renovations and the Renaissance Zone designation would allow the owner to receive incentives to finish the renovation.

- Main Street Manor - The Old Penney Building, built in 1917 and renovated in 1999 has maintained its interior and exterior appearance. There are currently plans to finish the renovation of the main floor and lease it out to a business. The Renaissance Zone designation will allow the owners to attract potential tenants 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.
- BNC Bank – The BNC Bank Building was built in 1917 and has 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.

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 and State
- Ensures integrity of reportable information and compliance with State reporting requirements
- 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

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 Williston Building Code Inspector has been contacted. 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 CROSBY GENERAL PLAN THE PLAN TO GUIDE COMMUNITY GROWTH

The City of Crosby recently updated its General (Comprehensive) Plan which provides community leadership with a foundation for guiding community development and growth. The following information was outlined in the Plan:

- City population has declined dramatically for several decades, average population age continues to increase and the community continues to lose its youth population which reduces births, school enrollments, etc.
- Housing stock is growing older with the population and median housing valuations are decreasing. Few new houses are being built due in part to the problem of appraisal gaps. (Appraisals of new housing units are considerably less than the construction costs of those units making them unaffordable for most families considering new construction).
- A community survey indicated that forty-four percent of those surveyed were not satisfied with the downtown central business district. Sixty-one percent were not satisfied with the variety of retail offerings. Eighty-nine percent indicated that the range of retail stores and goods was a weakness.

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.

GOALS/ACTIONS:

- Explore forming a Housing Authority and 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 the establishment of a 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 15 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 reverse the community's population decline.
5. To expand 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. 2005-2007
 - a. Successful transfer of ownership for three retail sector businesses
 - b. Have Project in Main Street Manor Building
 - c. Identify and help establish a primary sector business in Wallin Building

2. 2007-2010
 - a. Identify and Remove Dilapidated Buildings on Main Street
 - b. Identify 5 Businesses in Renaissance Zone for Expansion, Retention and/or Renovation
 - c. Have 2 housing rehab projects
3. 2010-2020
 - a. Identify Zone Projects in all 8 blocks of Central Business District
 - i. Identify all empty commercial space in Central Business District and have those spaces occupied
 - b. Have 8 Residential rehab projects

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.
- Mandate 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

Rich Gray and Joe Becker were invited to give a presentation to local leaders in October of 2003. The Planning and Zoning Commission, City Councilmen, Divide County EDC Directors, County Commissioners, School Board, and the paper were invited to this meeting. Rich and Joe explained the Renaissance Zone and gave an overview of the development plan and tax incentives.

The Crosby Planning and Zoning Commission held a legal public hearing regarding the establishment of a Renaissance Zone May 20, 2004. Planning and Zoning Commission members who were present were: Cheryl Oien, Pat Woodward, Keith Baker, and Jeff Greaves. Also attending were Jobs Developer David Olson and Tri-County Regional Development Council Director Mark Sovig. Residents in attendance were: Steve Andrist, Cecile Wehrman, Tim Gjovig, Bob Schwanz, Steve Joraanstad, Jim Roache, Angie Lokken, Lynn Michelson, Keith Olson, Mark Nichols, Gail Krise and Joe Hasert-Esping. Mark Sovig and David Olson explained different aspects involved in and with the Renaissance Zone. Consensus of the individuals in attendance was in support of the zone proposal, ten blocks along Main Street in downtown Crosby. A question about applying for 20 blocks was asked but the board's explanation of wanting to concentrate on the 10 downtown blocks satisfied those in attendance. It was also noted that the board would eventually look at expanding to 20 blocks. A motion to recommend to the Crosby City Council the establishment of a Renaissance Zone within the City of Crosby to encompass an area from 2nd Avenue North down Main Street to 3rd Avenue South to include one block on either side of Main Street was passed.

Prior to the public hearing meeting on May 20, 2004, the Planning and Zoning Commission had discussed the establishment of a Renaissance Zone at several regularly scheduled monthly meetings. The Divide County Economic Development Council has also discussed the Renaissance Zone for three years. These meetings are open to the public. The Journal, the local newspaper, has written three separate articles on the establishment of the Renaissance Zone in the past year.

September of 2004 Rich Gray attended a public meeting to further discuss the Renaissance Zone with the Planning and Zoning Board. The major issue of discussion was whether the City of Crosby would be depleting the tax base if the Renaissance Zone was established. Rich Gray mentioned that the City of Crosby makes the Renaissance Zone fit their needs and they would not need to deplete the tax base if they chose not to.

From September of 2004 through March of 2005 the Planning and Zoning Board has met monthly with the main topic being the Renaissance Zone. The Development Plan has been looked at and discussed in detail. All Planning and Zoning meetings are open to the public.

The Crosby Planning and Zoning Commission held a public hearing regarding the Development Plan and zone boundaries on Monday, April 25, 2005 at 4:00 p.m. at the Lela Andrist Community Room. The local newspaper, The Journal, had advertised the meeting for two weeks prior and had written an article including the city map and zone boundary in the paper the previous week. Planning and Zoning Commission members who were present were: Cheryl Oien, Pat Woodward, Jim Roache, and Carol Lampert. Others who attended were Mark Sovig, David Olson, and I.J. Jacobson.