

City of Casselton Renaissance Zone Project Application

Proposed Renaissance Zone projects must be submitted to and approved by the city prior to start of construction. Please submit a project proposal that addresses the following items: (please address ALL items on checklist in order given)

CHECKLIST:

- Legal description and street address of proposed project
- Current property owners
- Name of applicant with current phone, address and description of business entity with social security or Federal Tax ID number
- Indicate if applicant is subject to ND gross premiums tax
- Current use of property (If property is currently a vacant lot, provide evidence that it was previously developed)
- Square footage of the lot and of the building - each floor should be listed separately
- Describe the impact this project has on any historical properties and "letter of clearance" from State Historical Society if required
- Identify type of investment (purchase, improvement, lease & improvement, investment in & improvement, or Lease with building owner improvements)
- Date of acquisition (or proposed acquisition) of subject property and current True and Full value (contact city Auditor)
- Describe scope of work, including a detailed cost estimate of the work to be completed
- Provide a break out of capital improvements
- Estimate the value of the building after improvements have been completed
- Describe how the project meets the renaissance zone goals, objectives and guidelines
- Extent of the exterior renovation and/or property improvements - include site plans and building plans or renderings.
- Provide documentation that the project cost meets the city's minimum criteria
- Provide evidence that the applicant is current on state and local taxes - Certificate of Good Standing from the State Tax Commissioner and copies of receipts showing proof that local real estate taxes have been paid
- Estimate the state and local tax benefit to the taxpayer for five years

Submit completed project proposals to:

**City Auditor
702 1st ST N
Casselton, ND 58012
701-347-4861**

Guidelines for Project Approval

The City of Casselton wants to encourage significant investment within the Renaissance Zone to improve deteriorating properties and to curtail the vacation of buildings and potential decline in tax base. Properties should be renovated or built to meet the needs of the community and should conform to the City's comprehensive plan and land use plan. These plan documents are available upon request.

In order to qualify for consideration as a Renaissance Zone project, a proposal must meet the following criteria. The intent of these criteria is to encourage and reward significant levels of investment in zone properties, and each project is based on its own merits. *** In the City of Casselton Renaissance Zone, a transfer of property ownership does not automatically qualify a property as an approved zone project. A project must be approved by the city council before the purchase of property or improvements begin. ***

Current Residential Property

- Property ownership must be transferred after the state authorization of the zone.
- Property may not have been part of a previous zone project.
- Property must be zoned as residential.
- Property must be of a conforming use.
- Project must bring property into compliance with all current building codes
- Property owner must make all necessary improvements to eliminate any and all deteriorated conditions that are visible on the exterior of the building.
- Property owner must make capital improvements equal to the greatest of the following:
 - * 50% of the true and full value of the property prior to improvements
 - * \$15 per square foot (basement not included)
 - * \$15,000 of capital investment
- Proposed capital improvements must substantially improve the life expectancy of the property. Capital improvements include, but are not limited to, replacement or updating of roof, foundation, structure, siding, windows, doors, electrical, plumbing, heating and cooling systems. Capital improvements do not include new floor covering, window treatments, wall coverings, or furnishings. Cabinetry may be included if basis for improving life expectancy can be determined.
- Additions or garages may only be included if it is determined that all other necessary improvements have been made to the existing principal structure.

New Residential Construction

- Property must be of conforming use
- Property must be consistent with visions and goals of the City of Casselton

Current Commercial Property

- Property ownership must be transferred after the state authorization of the zone to be eligible for both real estate and income tax exemptions. If the existing owner remodels property without transfer of ownership, NDCC 57-02.2 allows for the granting of a remodeling exemption for that portion of the project.
- Property may not have been part of a previous zone project.
- Property must be of a conforming use.
- Project must bring property into compliance with all current building codes and all deteriorated conditions that are visible on the exterior of the building. Greater attention is required to this guideline for property located on the main corridor of Front Street.
- Property owner must make capital improvements equal to the greatest of the following:
 - * 50% of the true and full value of the property prior to improvements
 - * \$15,000 of capital investment
- Proposed capital improvements must substantially improve the life expectancy of the property. Capital improvements include but are not limited to replacement or updating of roof, foundation, structure, siding, windows, doors, electrical, plumbing, heating and cooling systems. Capital improvements do not include new floor covering, window treatments, wall coverings, cabinets or furnishings.

New Commercial Construction or Additions

- Property must be of conforming use
- Property must be consistent with visions and goals of the City of Casselton
- Investment of \$20 in capital improvements per square foot

Commercial Leases

- Tenant must be leasing space in a building that has been approved as a zone project for current or new commercial property
- Building has been determined by Zone Authority to have been restored or rehabilitated prior to the establishing of the zone meeting all required criteria and now needs additional incentives to bring building to full occupancy.

Vacant Properties

- Properties with a history of long term vacancies may be given special consideration by waiving some of the above mentioned requirements.

Relocation of Commercial Businesses

- Commercial tenants that are relocating within the zone are not eligible for tax incentives without special approval from the Zone Authority
- Commercial tenants that are relocating from another ND community to Casselton are not eligible for tax incentives without special approval from the Zone Authority

Percentage of Exemption

See State publication (N.D.C.C. ch. 40-63) for information on North Dakota Renaissance Zone Tax Incentives

- Property and income tax exemptions are allowed up to 5 years
- Property that is targeted for demolition in the Renaissance Zone Plan shall be eligible for 100% exemption from property taxes if the existing property is demolished and replaced by a new structure. Note: Property taxes on land are not exempt.
- Non conforming properties that make structural changes to provide for a change in use to bring the property in compliance with city plans and ordinances shall be eligible for 100% property tax exemption
- State income tax exemptions are awarded at 100% up to \$500,000 per year for eligible income generated in the Renaissance Zone for businesses operating in an approved project
- Tenants leasing space in an approved renaissance zone project are eligible for 100% income tax exemption for the business operating in the approved project