

Renaissance Zone

CASSELTON, NORTH DAKOTA



PURPOSE OF THE PROGRAM

In 1999, the North Dakota Legislative Assembly approved the Renaissance Zone Act to provide tax incentives to encourage investment in downtown or other blighted properties.

TAX INCENTIVES

BUSINESS/COMMERCIAL PROPERTIES

- Up to 100% exemption from property taxes for 5 years
- 100% exemption from state tax on income derived from business or investment location for 5 years up to \$500,000 of taxable income
- Transferable exemptions with sale or lease

PRIMARY RESIDENCES

- Up to 100% exemption from property taxes for 5 years
- 100% exemption from state individual income tax up to \$10,000 annually for 5 years
- Transferable exemptions with sale

Property tax exemptions are provided on the value of buildings as improved. Taxes are still assessed on associated land. Additional incentives may be available for historic properties.

QUALIFYING INVESTMENT

COMMERCIAL PROPERTIES

- Purchase with improvements
 - ◊ At least 20% investment to qualify for a 50% property tax exemption
 - ◊ At least 36% investment to qualify for a 75% property tax exemption
- Renovation or expansion
 - ◊ At least 50% investment with a \$15,000 minimum and at least 80% of minimum for capital improvements to qualify for a 100% property tax exemption
- New construction
 - ◊ At least \$55 investment per square foot
- Leasehold Improvements
 - ◊ Investment of at least 50% on the space being improved with at least 80% of minimum for capital improvements
- Lease of commercial property constructed or rehabilitated as a Renaissance Zone project

PRIMARY RESIDENCE

- Purchase with improvements
 - ◊ At least 10% investment to qualify for a 50% property tax exemption
- Renovation or expansion
 - ◊ At least 20% investment with a \$10,000 minimum and at least 80% of minimum for capital improvements and no more than 20% of minimum for a detached out building to qualify for a 100% property tax exemption.

Investment requirements are based on the City's assessment of true and full value for buildings.

EXAMPLE OF PROPERTY TAX BENEFITS

Original value of commercial building:	\$150,000
You invest:	\$ 75,000
Value with improvements:	\$225,000
Estimated savings over 5 years:	\$ 15,075

The City Assessor will assist with the estimated value of a building with improvements once an investment amount and project plans are provided. Visit with your accountant or tax professional to estimate state income tax savings.

APPLICATION PROCESS

Applications must be approved before improvements begin. A Renaissance Zone project must be approved by the Casselton Renaissance Zone Committee, Casselton City Commission, and the North Dakota Department of Commerce before an eligible purchase, rehabilitation, new construction project or lease of the property begins. A Certificate of Good Standing from the North Dakota Tax Department is also required also with a business incentive agreement. Please allow 4-6 weeks for the review process.

In addition to minimum investment requirements, applications are evaluated based on public benefit and goals and objectives for the program such as:

- Maintaining and expanding existing businesses.
- Including a street level commercial/retail use and off-street parking for any new construction project.
- Reinforcing emerging entertainment, medical, office, service and retail uses with compatible uses.
- Encouraging mixed use development and redevelopment of upper levels of existing buildings as residential apartments.
- Upholding Casselton's heritage with historic preservation and adaptive reuses of historic buildings.



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For more info and to apply visit:
Casselton.com/incentives