



Community Development Department

DATE: July 20, 2021
FROM: Ben Ehreth, AICP, Community Development Director
ITEM: Renaissance Zone JMN Roots, LLC/ Freedom Financial Group Offices

REQUEST:

JMN Roots, LLC is requesting approval of a Purchase with Improvements Renaissance Zone project at 212 N 2nd Street. The applicant is proposing to purchase the building and modify the interior for occupation by a financial services firm. Freedom Financial Group – Bismarck LLC, who will be operating out of the building, is requesting a lease Renaissance Zone project.

Please place this item on the July 27, 2021 City Commission meeting agenda.

BACKGROUND INFORMATION:

The Renaissance Zone Authority held a public hearing of the Renaissance Zone requests on July 8th. At the conclusion of hearing, and based on the findings in the staff report, the Renaissance Zone Authority recommended approval of the Purchase with Improvements Renaissance Zone project for the building at 212 N 2nd Street as presented in all submitted documents and materials, as a 100% property tax exemption on the building for five years.

Furthermore, the Authority recommended approval of the Lease Renaissance Zone project for the building at 212 N 2nd Street as presented in all submitted documents and materials for an exemption from state tax on income derived from the location for five years.

RECOMMENDED CITY COMMISSION ACTION:

Consider the request and take final actions on the Purchase with Improvements and Lease Renaissance Zone designations.

STAFF CONTACT INFORMATION:

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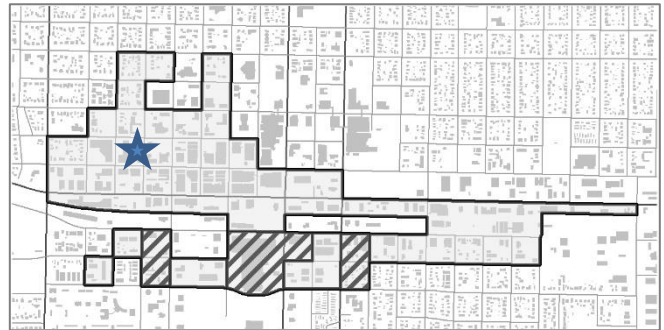
STAFF REPORT

Application for: **Renaissance Zone**
Lease

Project ID: **RZ2021-001**
RZ2021-002

Project Summary

<i>Title:</i>	JMN Roots, LLC/ Freedom Financial Group Offices
<i>Project Type:</i>	Purchase with Improvements
<i>Status:</i>	Renaissance Zone Authority
<i>Applicant(s)</i>	JMN Roots, LLC Freedom Financial Group – Bismarck LLC
<i>Owner(s):</i>	SRSSM Partnership
<i>Project Description:</i>	Purchase building and modify interior for occupation by financial services firm



Street Address: 212 N 2nd Street

Legal Description: Lot 6, Block 60, Original plat

RZ Block # 11

Project Information

<i>Building Floor Area (square feet):</i>	2,500	<i>Estimated Completion Date:</i>	1/1/2022	<i>Certificate of Good Standing:</i>	Complete
<i>Assessed Building Value (existing):</i>	\$190,000	<i>Proposed Investment:</i>	\$125,000	<i>Estimated Value with Investment:</i>	\$250,000
<i>Annual Property Taxes (existing):</i>	\$2,912	<i>Estimated Property Tax Benefit:</i>	\$14,561	<i>Estimated Income Tax Benefit:</i>	\$9,000

Staff Analysis



Front of building from N 2nd Street

JMN Roots, LLC is requesting approval of a Purchase with Improvements Renaissance Zone project at 212 N 2nd Street. The applicant is proposing to purchase the building and modify the interior for occupation by a financial services firm.

The public has been duly notified of this request. A notice was published in the Bismarck Tribune on June 25th and July 2nd, and 23 letters were mailed to the owners of nearby properties on June 25th, 2021.

(continued)

The interior of the building would be completely remodeled to create office space. The proposed build-out includes new HVAC, electrical, plumbing, framing, sheetrock, and all finishes. Four windows, sized approximately 3' x 4' would be placed on the south building wall.



South side of building where windows planned

The minimum investment required in the Renaissance Zone Development Plan for a 100% property tax exemption is 50% of the assessed building value, which in this case would be \$95,000 in capital improvements. The applicant estimates total project costs to be \$125,000, which exceeds the minimum requirements.

The exterior was improved in 2017, and Downtown Design Review for these modifications was approved at that time (DDR2017-016).

The two applicants have common ownership, but each would be a recipient of a separate Renaissance Zone project. The Purchase with Improvements project would be granted to the real estate holding company, JMN Roots, LLC, and the Lease project would be granted to

Freedom Financial Group – Bismarck LLC, who will be operating out of the building.

Required Findings of Fact (relating to land use)

1. The proposed project is consistent with the goals and objectives of the City's Renaissance Zone Development Plan;
2. The proposed project meets the relevant minimum project eligibility criteria for the City of Bismarck Renaissance Zone program;
3. The subject property has not previously been designated a Renaissance Zone project of this type;
4. The project would meet all applicable building code and zoning requirements.

Staff Recommendation

Based on the above findings, staff recommends approval of the Purchase with Improvements Renaissance Zone project for the building at 212 N 2nd Street as presented in all submitted documents and materials, as a 100% property tax exemption on the building for five years.

Based on the above findings, staff recommends approval of the Lease Renaissance Zone project for the building at 212 N 2nd Street as presented in all submitted documents and materials for an exemption from state tax on income derived from the location for five years.

Attachments

1. Location Map
2. Interior Layout

