

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1225

2007 HOUSE POLITICAL SUBDIVISIONS

HB 1225

2007 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1225

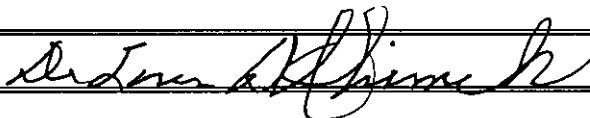
House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: January 25, 2007

Recorder Job Number: 1875, 1946

Committee Clerk Signature



Minutes:

Chairman Herbel opened the hearing on HB 1225.

Representative Keiser: Discussed the concept of renaissance zoning and how it came about.

What I am bringing before you is a positive addition to the law. I am proposing we add three square blocks, except in the city with a population of greater than five thousand. This renaissance is to provide an incentive to improve in the downtown areas of a city. The important thing in this bill is that communities can take one to three of these blocks and take them in a noncontiguous fashion away from the zone but within a half mile of the zone. If you go out and use more than one block, those blocks must be continuous. What is the reason for this? Bismarck perhaps is a poster child of the problem. Our renaissance zone runs right up to our hospital corridors. The hospitals don't need the renaissance zone. There are some areas just adjacent to the hospital corridor; within the half mile, that could benefit. They are primarily residential areas. To get there now we have to use a whole lot of blocks to get through the medical district, which are adjacent. As a result, we say we are not going to do it. I think you can go to every community in the state, even the smaller rural communities. This bill expands by three the number of allowable blocks and also allows you to do some satellite

renaissance zoning, as appropriate. You have to keep them contiguous and can not use no more than three square blocks.

Rep. William Kretschmar: Why should there be any limits at all.

Rep. Keiser: That is a good question. The purpose of the renaissance zone was to provide an incentive to areas of your community that are becoming run down to provide some kind of tax incentives to help that area recover. Now if you went and applied it universally throughout the community; obviously the new growth area would apply for all the money and all the options and all the available projects and they would get all the money. That would not achieve the purpose for which the renaissance zoning was designed, which was to build up the core downtown areas within communities.

Rep. Kim Koppelman Could this bill disadvantage anyone?

Rep. Keiser: No one has ever disagreed at all about the zoning boundary. People have asked how they can get in and we have made a very deliberate decision to outline the boundary. I wish you could see the city of Bismarck does on this. They send out questionnaires to everyone in the zone and outside of the zone. Do you have any intention of doing something in the future that an incentive would be helpful? In the last two years we restructured the zone. Because of the information from these questionnaires we have moved things around to accommodate as many people as we can.

Rep. Kari Conrad: How many blocks is that?

Rep. Keiser: It varies; you can't use this block. You have to take a physical measurement. On average about 4 blocks. It will vary depending on the length of the city block in a community.

Rep. Kari Conrad In Minot we have a problem with the river and the railroad. This should be very helpful to us.

Rep. Keiser: Railroad is a big problem for us in Bismarck too

Rep. Lee Kaldor: Would you tell us how the decision process goes when a subdivision decides to take on a renaissance zone. Relative to the taxing authority; you have the city and the county.

Rep. Keiser: You are asking me a very good question. There are several tax advantages that the state provides. The state actually monitors this program. The county has to go to the state with a renaissance plan and get approval for that plan. They then, in the case of Bismarck, created a renaissance zone authority committee. People come in and meet with the committee and explain what they plan to do. The renaissance zoning authority approves it, but it still goes to the political authority for the area for final approval. Discussed how it has been working in Bismarck and how it has helped with things like landscaping etc to aid the city and its appearance. You don't get the renaissance zone tax dollars until you do the job.

Rep. Lee Kaldor: What is the relationship between the county and city for the renaissance establishment?

Rep. Keiser: In the case of the city of Bismarck, the county is not part of the process. It may have a short term impact on property taxes. You are getting a tax off-set today, but within 3-5 years you are going to be paying maybe 50%-100% more in tax revenue. The purpose of this zone is to upgrade the property and eventually increase the tax flow. I hope when you see the printout from Bismarck you look at it and see how it has improved our properties.

Bill Schell: We are in support of HB 1225. (handed out testimony #1 by Becky Meidinger)
Becky had another hearing to attend. I think the extension of blocks will only affect one community and that is Fargo.

Bill Wocken: Testified in support of the additional area for renaissance zoning boundaries.

See testimony #2.

Yesterday afternoon I did receive an email from Robert Stein, city of Fargo, and it states the following: I will be unable to attend the hearing on HB 1225. Over the past 7 years the Fargo Renaissance zone has been highly successful in promoting downtown. The ability to add blocks to the zone and to target specific areas as proposed in the bill will further improve our tools for economic development. Please convey our support from the city of Fargo for the bill. Thank you Robert Stein.

Chairman Herbel Do you have areas right now where contractors looking at something in Bismarck .

Bill Wocken: I don't have that information for you, but I will get it for you.

Rep. Dwight Wrangham Where does the funding coming from and is there a balance of funds being held?

Bill Wilcomb: Discussion on the tax incentives from the renaissance as time goes on.

Paul Obegon, Deputy Commissioner for the Department of Commerce. We do manage the renaissance program and this change would not have an impact on our end as far as managing it. We have 34 cities now with renaissance zones; we have quite a few more that are interested. It is an excellent program. We have 465 projects involved with those zones and so it has been an excellent program throughout the state.

Mary Rep. Lee Kaldor Nielson: Mayor of the city of Valley City (See attached testimony #3).

Connie Sprynczynatyk: In support and speaking on behalf of Mayville and the city of Grand Forks, they would like to know they are very supportive. See attached letter from Mayor of Grand forks and city of Mayville # 4 & #5). Said thank you for this legislation.

Sandy Taylor: Here in support of this legislation. I chair the renaissance authority in Bismarck. Every time I get a list of projects I am always thrilled about the number of jobs it creates. We are up to 93-95 new jobs all due to the incentives of this program.

Rep. Kim Koppelman Is there a difference between commercial and residential zoning?

Sandy Taylor: There is no formula, but residential is a key component of renaissance zones as you know from what is going on in Fargo. Here in Bismarck we are working diligently to try and bring some new residential into our down town area. We have decided to focus on this area in the next year or two.

Rep. Donald Dietrich: Rep. Keiser I was surprised by the mayor letter that he doesn't put more emphasis on satellite areas. Missing one area from town is a real contentious area going into Grand Forks from the west and that will not be included in the half mile area. Discussed Gateway Drive Beautification has been going on for a long time. This area would be completely exempted from the renaissance zone. How could we include that and make this bill better?

Rep. Keiser: Welcome to the renaissance zone. You have identified problems and that is the reason this bill has come forward. The purpose is to help the core downtown areas. Complimented Fargo and their renaissance zone. We need to protect this program.

Opposition: None

Hearing closed.

Chairman Herbel re-opened hearing on HB 12125. Job #1946

Do Pass Motion made By Rep. Nancy Johnson Seconded by Rep. Donald Dietrich

Discussion:

Rep. Nancy Johnson: I think it is a good idea to continue focusing on that core area of the city.

Rep. Donald Dietrich: Even though they did not mention Grand Forks it has been extremely successful downtown.

Rep. Kari Conrad: She checked with her planner in Minot and ¼ of a mile will jump across our railroad tracks so we are very pleased with that.

Vote: 13 Yes 0 No 1 Absent Carrier: Rep. Pat Hatlestad

Hearing closed.

FISCAL NOTE
 Requested by Legislative Council
 01/10/2007

Bill/Resolution No.: HB 1225

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill expands Renaissance Zones by three square blocks and creates an exception to the continuous boundary and contiguous block requirements. The fiscal impacts of these changes cannot be determined.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Allowing three additional square blocks for each Renaissance Zone could impact revenue to the state as well as counties, cities, and school districts. The fiscal impact cannot be determined as we do not know how many communities would expand their Renaissance Zones, nor do we know how many projects would result from the expanded zones.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Given the nature of the changes there is no additional fiscal impact expected as it relates to program administration.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	01/16/2007

Date: 1-25-07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1225

House Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. N. Johnson Seconded By Rep. Dietrich

Representatives	Yes	No	Representatives	Yes	No
Rep. Gil Herbel-Chairman	✓		Rep. Kari Conrad	✓	
Rep. Dwight Wrangham-V. Chair	✓		Rep. Chris Griffin	✓	
Rep. Donald Dietrich	✓		Rep. Lee Kaldor	✓	
Rep. Patrick Hatlestad	✓		Rep. Louis Pinkerton	✓	
Rep. Nancy Johnson	✓		Rep. Steve Zaiser		
Rep. Lawrence Klemin	✓				
Rep. Kim Koppelman	✓				
Rep. William Kretschmar	✓				
Rep. Vonnie Pietsch	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment: Rep. Hatlestad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 25, 2007 4:15 p.m.

Module No: HR-17-1273
Carrier: Hatlestad
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1225: Political Subdivisions Committee (Rep. Herbel, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1225 was placed on the Eleventh order on the calendar.

2007 SENATE POLITICAL SUBDIVISIONS

HB 1225

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1225

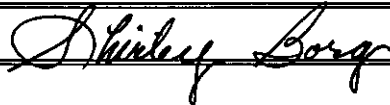
Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: March 1, 2007

Recorder Job Number: 4226

Committee Clerk Signature



Minutes:

Chairman Cook called the Senate Political Subdivisions Committee to order. All members (5) present.

Chairman Cook opened the hearing on HB 1225 relating to a renaissance zone size and boundary.

Bill Wocken, City Administrator, Bismarck, ND introduced and testified in support of HB 1225.

This bill is a relatively simple bill. On line 12 -17 just adds three blocks to the allowable area that can be included in renaissance zones within cities. All of the requirements of renaissance zones are kept the same. He passed out a map showing the area to be developed (Attachment 1 A & 1 B)

Senator Hacker: Are other cities working on this.

Bill Wocken: Yes there has been a lot of interest.

Paul Govig, Division of Community Services, ND Department of Commerce and we manage the renaissance program. We see no issues with change, they are minor. So there will not be a big impact.

Chairman Cook: What is the total amount of income tax relief that has been given out so far in the renaissance zones?

Paul Govig; I don't have that number but I will provide that to you. Also, get the committee a list of all the cities that have a renaissance zone.

Senator Olafson: Could you give us a quick idea of what a renaissance zone is and what it does.

Paul Govig: The renaissance zone program was started a number of years ago, with the sole purpose of trying to get cities or communities to improve either the housing or businesses associated with the communities. What we are trying to reach is helping to get those projects started that would not get started with out this. The two things that enhance this is the local property tax exemption that is required or otherwise the state income tax won't kick in. We have 36 renaissance zones now. Fargo has the most projects. We think this is a great tool.

Testimony by Bill Shalhoob, Economic Development Association of ND was passed out in support of HB 1225. (attachment #2)

No further testimony in support, opposed or neutral to HB 1225.

Chairman Cook closed the hearing on HB 1225.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1225

Senate Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: March 8, 2007

Recorder Job Number: 4665 (Action)

Committee Clerk Signature

Shirley Borg

Minutes:

Chairman Cook called the committee to order. All members (5) present.

Chairman Cook: We have HB 1225 before us. Your wishes.

Senator Olafson moved a Do Pass.

Senator Anderson seconded the motion.

Discussion:

Roll call Vote: Yes 5 No 0

Carrier: **Senator Anderson**

Date: 3-8-07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1225

Senate Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Senator Olafson Seconded By Senator Anderson

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X		Senator Arden C. Anderson	X	
Senator Curtis Olafson, ViceChair	X		Senator John M. Warner	X	
Senator Nicholas P. Hacker	X				

Total Yes 5 No 0

Absent 0

Floor Assignment Senator Anderson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 8, 2007 12:22 p.m.

Module No: SR-44-4725
Carrier: Anderson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1225: Political Subdivisions Committee (Sen. Cook, Chairman) recommends DO PASS (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1225 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1225



#1

**Testimony of Becky J. Meidinger
Development Specialist
Cooperstown Community Development
Economic Development Association of North Dakota
HB 1225**

Mr. Chairman and members of the committee, my name is Becky Meidinger. I am the Development Specialist for Cooperstown Community Development. I am also representing the Economic Development Association of North Dakota (EDND).

EDND is the voice of the state's economic development community and provides networking for its 80 members, which include development organizations, communities, businesses and state agencies. Our mission is to increase economic opportunities for residents of the state by supporting primary sector growth, professionalism among economic development practitioners and cooperation among development organizations. We are asking that you support HB 1225 and thus, North Dakota's economic growth.

We are all aware of the efforts and programs we have developed over the years in to spur economic development in our state. We see HB 1225 as a logical extension of a tool that has proven to be very effective for North Dakota communities and their developers.

Under the existing renaissance zones, businesses and individuals qualify for one or more tax incentives for purchasing, leasing or making improvement to real property located in a North Dakota Renaissance Zone.

The Renaissance Zones have proven to be a wonderful and effective tool in larger communities like Bismarck and Fargo, as well as smaller communities like Watford City and Langdon.

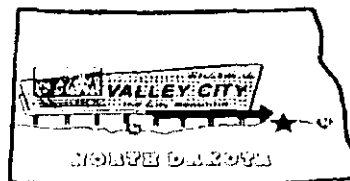
This bill allows us to extend the zone by three blocks in each direction and bring more properties into the zone. It also allows us to include a small area (no more than three-square blocks) in our community that needs improvements, but is not connected to the existing zone.

For example if your renaissance zone is mainly in the downtown area, you could address a blighted area that is important to your community in the industrial park, without including all the property in between the two areas. The flexibility that this bill gives communities would be welcomed.

EDND believes HB 1225 will aid development in North Dakota and build on a successful program that works. We urges a do pass. I would be happy to answer any questions.

CITY OF VALLEY CITY

CITY HALL OFFICE AT 254 2ND AVE. NE
VALLEY CITY, NORTH DAKOTA 58072-0390



2
P.O. BOX 390
701-845-1700

Chairman Herbel and Committee Members:

I am Mary Lee Nielson, Mayor of the City of Valley City. I am here to testify in favor of House Bill 1225.

Valley City had the first Renaissance Zone project approved by the state. We have had 27 projects approved since then and two more scheduled to be heard on the agenda at our next Commission meeting. The Renaissance Zone is accomplishing its mission by revitalizing our downtown district. With the buyback of railroad property through the heart of Valley City, business people have used the incentives of the Renaissance Zone to build new businesses as well as refurbishing some of our historical downtown buildings.

I am speaking on behalf of our Renaissance Zone Board – a group of very proactive citizens- and they support the idea of increasing the size of our Zone by three blocks. The idea of not having to be continuous for the additional three blocks allows our committee to impact residential areas that with incentives might be revitalized.

We ask you to support this bill to expand the Renaissance Zone. It is a program that does make a difference. Come and visit Valley City and you will see the impact.

A handwritten signature in cursive script that reads "Mary Lee Nielson".

Mary Lee Nielson, Mayor
City of Valley City

#3


Bismarck City Administration

January 25, 2007

MEMORANDUM

TO: Representative Gil Herbel

House Political Subdivisions Committee

FROM: Bill Wocken, Bismarck City Administrator 

SUBJECT: Bismarck Renaissance Zone results table

At this morning's hearing on HB 1225 Representative Keiser described the results of the Renaissance Zone in Bismarck and promised the committee a table quantifying Bismarck's experience with the program. The attached table is provided for this purpose.

This table details all the Renaissance Zone projects to date in Bismarck. I apologize for the small print but that is due to the amount of information included in the table and the number of projects approved to date. Perhaps, that makes the small typeface a mixed blessing.

The first three columns identify the projects by number, name and address while the fourth column describes the type of project approved (purchase, lease, new construction). The next three columns (5-7) capture historical data regarding the application. Column 8 states the assessor's market value of the project before renewal, column 9 the amount of investment proposed and column 10 the building value after renovation. (Where no values are shown in these columns the project is a lease project). One can see from the total line on the bottom of the page that a pre-project market value of \$6,646,100 is estimated to grow to \$16,963,200 after the projects are all completed. Column 11 shows the estimated property tax benefit to the owners for the period of the exemption. Column 12 shows the project completion date, if the project is completed. Column 13 shows the actual investment in the project. It is interesting to contrast the actual expenditures in Column 13 against those proposed for the project in Column 9 (Proposed Investment). The last two columns record the market value of the properties as of February 1, 2006. This information is updated annually while the last column shows the jobs created and reported to the city. Please note the city does not record income tax exemptions from projects.

I hope this information is helpful to your deliberations. Should you have any questions please feel free to contact me.

Bill Wocken
City Administrator
222-6471 (o)
222-6470 (fax)
wwocken@state.nd.gov

RENAISSANCE AUTHORITY
PROJECT STATUS

Project	Applicant	Street Address	Project Type	RZA Hearing	Commission Approval	State Approval	Beginning Building Assessed Value	Proposed Investment	Estimated Building Value w/Investment	Estimated Property Tax Benefit	Completion Date	Actual Investment	Estimated Current Building Value	Jobs Created FTE
01-B	George T. Duemeland Revocable Trust	301 East Thayer Avenue	Purchase w/Major	12/10/02	12/17/02	01/02/03	\$77,000	\$44,366	\$150,000	\$18,095	12/01/03	\$66,397	\$155,000	0
02-B	Dakota Building Partnership	501 East Main Avenue	Purchase - Land	01/06/03	01/07/03	02/28/03	\$444,200	\$300,000	\$540,000	\$32,023				
03-B	Civic Square Development LLC	521 East Main Avenue	Purchase w/Major	02/07/03	02/11/03	04/21/03	\$500	\$600,000	\$500,000	\$61,000				
04-B	Duemelands Commercial LLLP	301 East Thayer Avenue	Lease	07/14/03	07/22/03	09/25/03	N/A	N/A	N/A	N/A	12/01/03	N/A		2
05-B	John & Barbara Grinsteiner	200 North Mandan Street	Purchase	10/07/03	10/14/03	10/18/03	\$43,300	\$5,000	\$77,500	\$5,550	10/17/03	N/A	\$91,400	2
06-B	Woodmansee's	114 North 4th Street	Rehab/Historic	10/30/03	11/15/03	11/21/03	\$49,900	\$125,000	\$120,000	\$15,500	01/26/05	\$129,333	\$96,800	1
07-B	Bertsch Properties LLC	207 East Front Avenue	Rehab	11/19/03	11/25/03	12/03/03	\$371,200	\$601,600	\$1,455,000	\$186,375	01/19/05	\$734,707	\$2,330,900	0
08-B	Northland Financial	207 East Front Avenue	Lease	11/19/03	11/25/03	12/03/03	N/A	N/A	N/A	N/A	09/16/04	N/A		14.25
09-B	Bertsch Properties LLC	218 South 3rd Street	Rehab	11/19/03	11/25/03	12/03/03	\$142,300	\$326,150	\$640,000	\$107,600	01/20/05	\$378,013	\$588,100	20
10-B	Lee Enterprises Inc.	707 East Front Avenue	Rehab	12/15/03	12/16/03	12/29/03	\$2,506,200	\$2,256,624	\$4,406,200	\$550,000	10/26/05	\$2,400,776	\$4,138,900	7.5
11-B	PJCM Partners, LLP	901/907 East Front Avenue	Rehab	03/03/04	03/23/04	03/29/04	\$151,300	\$298,840	\$420,000	\$52,795	06/30/05	\$409,848	\$454,500	3
12-B	Mark Gartner	302 East Thayer Avenue	Rehab	05/25/04	05/25/04	06/04/04	\$49,900	\$65,000	\$125,000	\$15,715	12/06/05	\$103,455	\$128,700	2.5
13-B	AW Enterprises	216 North 2nd Street	Rehab	08/10/04	08/10/04	08/18/04	\$173,500	\$208,814	\$275,000	\$34,573	06/22/05	\$263,473	\$265,200	1
14-B	Daryl Rosseau & Clarence Saylor	225 West Broadway Avenue	Purchase	02/07/05	02/08/05	02/18/05	\$167,000	\$69,550	\$182,500	\$15,030				
15-B	J & L Development, Inc.	324 North 3rd Street	Rehab	11/15/04	12/14/04	02/18/05	\$500,000	\$750,000	\$900,000	\$113,500	09/15/06	\$698,396		6
16-B	Proque Grille, Inc.	121 North 4th Street	Lease	03/02/05	03/08/05	03/22/05	N/A	\$128,000	N/A	N/A	06/24/05	\$180,000		8
17-B	Zorella Jewelry Inc.	221 South 9th Street	New Construction	09/20/04	03/04/05	03/22/05	\$20,100	\$200,000	\$200,000	\$25,000	07/30/05	\$191,868	\$170,800	6
18-B	Susan & Ed Stroh/Petals & More	122 East Rosser Avenue	Rehab	08/25/05	09/13/05	09/21/05	\$120,300	\$64,675	\$130,000	\$16,900				
19-B	CCC Properties, LLP	310 South 5th Street	Purchase	08/25/05	09/13/05	09/21/05	\$410,400	\$168,000	\$450,000	\$58,500	07/01/06	\$298,372		
20-B	Bank Center First	320 North 4th Street	Rehab	09/21/05	09/27/05	10/04/05	\$809,500	\$3,100,000	\$2,000,000	\$258,760				
21-B	Foot Care Associates PC	310 South 5th Street	Lease	01/12/06	01/24/06	02/03/06	N/A	N/A	N/A	N/A	04/01/06	N/A		3.5
22-B	Dentyne, Inc. (Bakka & Roller)	310 South 5th Street	Lease	01/12/06	01/24/06	02/03/06	N/A	N/A	N/A	N/A	03/13/06	N/A		12
23-B	Duemelands Properties, LLLP	302 South 3rd Street	Purchase	01/12/06	02/14/06	02/18/06	\$312,700	\$190,900	\$345,000	\$44,840	12/01/06	\$227,295		
24-B	Duemelands Properties, LLLP	312 South 3rd Street	New Construction	01/12/06	02/14/06	02/18/06	N/A	\$215,223	\$250,000	\$32,500	12/01/06	\$233,855		
25-B	Makoché Media, LLC	208 North 4th Street	Purchase	01/12/06	02/14/06	02/18/06	\$247,000	\$113,556	\$320,000	\$41,600				
26-B	River O, LLC	312 South 3rd Street	Lease	04/13/06	04/25/06	05/05/06	N/A	N/A	N/A	N/A	12/04/06	N/A		21
27-B	Gern Group LLC	412 East Main Avenue	Rehab	05/23/06	05/23/06	05/30/06	\$47,800	\$40,000	\$75,000	\$5,990	10/20/06	\$50,292		
28-B	Heartland Mortgage Company	412 East Main Avenue	Lease	05/23/06	05/23/06	05/30/06	N/A	N/A	N/A	N/A	07/01/06	N/A		4
29-B	Bismarck MSA dba Verizon Wireless	302 South 3rd Street	Lease	07/24/06	07/25/06	08/02/06	N/A	\$100,000	N/A	N/A	09/14/06	N/A		7
30-B	Visionary LLP	122 East Main Avenue	New Construction	10/09/06	10/10/06	12/05/06	N/A	\$3,020,590	\$3,200,000	\$370,000				
						TOTALS	\$6,646,100	\$13,014,868	\$16,963,200	\$2,061,846		\$6,346,108	\$8,420,300	113.75



City of Grand Forks

255 North Fourth Street - P. O. Box 5200 - Grand Forks, ND 58206-5200

(701) 746-2607
Fax # (701) 787-3773

#4

TESTIMONY ON HOUSE BILL 1225
House Political Subdivisions Committee
Michael R. Brown, Mayor
City of Grand Forks, ND
January 25, 2007

Mr. Chairman and members of the committee, my name is Michael Brown and I am the Mayor of Grand Forks. I want to thank you for the opportunity to testify on House Bill 1225.

The City of Grand Forks supports HB 1225. This legislation allows for an increased number of blocks within a local Renaissance Zone and for a single exception to the requirement for contiguous blocks with a continual boundary.

The Renaissance Zone Program has been very successful in Grand Forks and we believe there is an opportunity for even greater success here and in other communities. Already, we have over a dozen city-approved projects and they have served to reenergize the development in our downtown. From new businesses to rehabilitation and from bakeries to condominiums, Grand Forks' Renaissance Zone has certainly been a spark to reenergize the entire downtown and, in fact, the community. We appreciate the legislature's innovation in adopting the program and its energy to keep it viable and beneficial. House Bill 1225 is such an effort to make sure the program can adapt to the current situations and new circumstances that ensure it remains a valuable tool for communities across the state.

The City of Grand Forks has been considering adding nine blocks to its current Renaissance Zone as permitted under amendments made during the last legislative session. In fact, we have more than nine blocks needing revitalization so our efforts have been stalled. Further, some of the blocks under consideration are not contiguous to the current boundaries. The proposed amendments in HB 1225 effectively address these issues.

We also support HB 1225 because it would do away with the wasteful practice of creating "bridge blocks". The current contiguous block/continual boundary requirements lead to wasted redevelopment potential where a vital stock of Renaissance Zone blocks are used simply to connect the existing Renaissance Zone to another area that needs revitalization. By allowing for at least two zones alleviates this "waste" and permits revitalization of other aging areas in the City's central core but not contiguous to current Renaissance Zone.

It is for these reasons that I would ask for a DO PASS recommendation of House Bill 1225. Thank you for your consideration.



City of Mayville

Mayville, North Dakota 58257

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Chairman and Committee members

The City of Mayville wishes to show our support for HB 1225, dealing with the expansion of Renaissance Zone area from 20 to 23 blocks in towns fewer than 5,000 in population and also allowing for a separate non contiguous 3 block area.

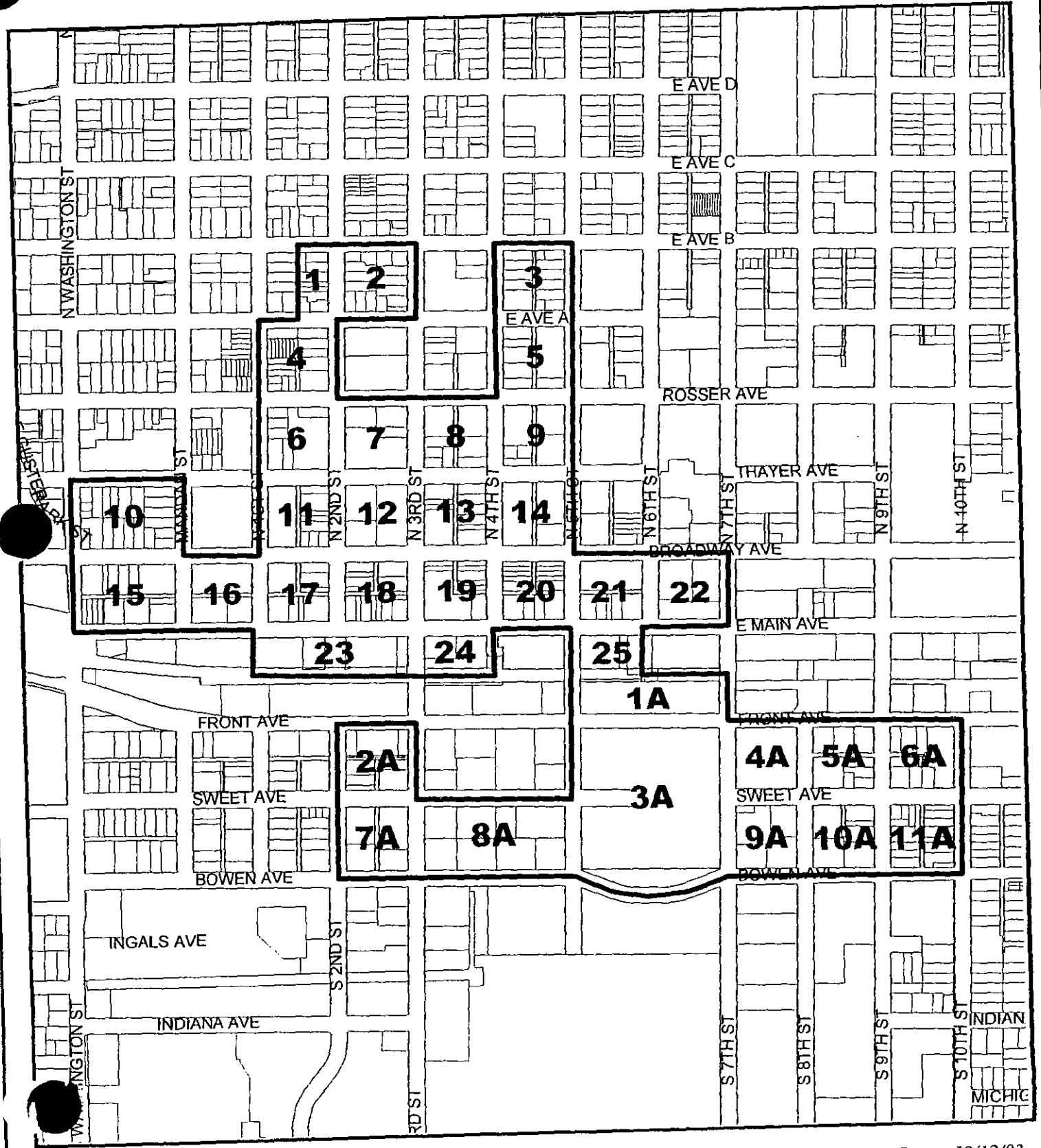
Mayville has been working on their Renaissance Zone application for the last year and has just authorized the final application to be submitted for approval.

One of the things that our board struggled with was a smaller area of an older part of town that we were just not able to get into our plan because it had to be contiguous and that would have meant using up several blocks that really didn't need to be in the Zone just to get to it. Therefore we had to leave this area out of our Renaissance Zone plan.

This bill would be of great benefit to us and allow us to include this area in our plan. We strongly urge your favorable consideration on this bill.

City of Mayville and the Mayville Renaissance Zone Committee
Mayville, ND

Bismarck Renaissance Zone



Attach. #1

RENAISSANCE AUTHORITY PROJECTS

Project	Applicant	Street Address	Project Type	RZA Meeting	Commission Approval	State Approval	Beginning Building Market Value	Proposed Investment	Estimated Building Value Investment	Estimated Property Tax Benefit	Completion Date	Actual Investment	Estimated Current Building Value	Job Created
01-B	George T. Duemeland Revocable Trust	301 East Thayer Avenue	Purchase w/Major	12/10/02	12/17/02	01/02/03	\$77,000	\$44,308	\$150,000	\$10,065	12/01/03	\$98,397	\$195,000	0
02-B	Dalco Building Partnership	501 East Main Avenue	Purchase - Land	01/08/03	01/07/03	02/26/03	\$444,200	\$300,000	\$540,000	\$32,023	01/31/07	\$294,195	\$540,900	0
03-B	Chic Square Development LLC	521 East Main Avenue	Purchase w/Major	02/07/03	02/11/03	04/21/03	\$500	\$600,000	\$500,000	\$61,000				
04-B	Duemeland Commercial LLP	301 East Thayer Avenue	Lease	07/14/03	07/22/03	09/25/03	N/A	N/A	N/A	N/A	12/01/03	N/A	N/A	2
05-B	John E. Barner-Ginsinger	200 North Main Street	Purchase	10/07/03	10/14/03	10/18/03	\$43,300	\$3,000	\$77,900	\$5,580	10/17/03	N/A	\$91,400	2
06-B	Woodmansee's	114 North 4th Street	Rent/Lease	10/09/03	11/15/03	11/21/03	\$49,900	\$125,000	\$120,000	\$19,500	01/25/05	\$129,333	\$96,900	1
07-B	Betch Properties LLC	207 East Front Avenue	Rehab	11/19/03	11/29/03	12/03/03	\$371,200	\$601,600	\$1,455,000	\$168,375	01/19/05	\$734,707	\$2,330,900	0
08-B	Northland Financial	207 East Front Avenue	Lease	11/19/03	11/23/03	12/03/03	N/A	N/A	N/A	N/A	09/16/04	N/A	N/A	14.25
09-B	Betch Properties LLC	218 South 3rd Street	Rehab	11/19/03	11/29/03	12/03/03	\$142,300	\$328,150	\$540,000	\$107,600	01/20/05	\$378,913	\$558,100	20
10-B	Lee Enterprises Inc.	707 East Front Avenue	Rehab	12/15/03	12/18/03	12/28/03	\$2,508,200	\$2,258,824	\$4,438,200	\$550,000	10/28/05	\$2,400,776	\$4,138,800	7.8
11-B	PJM Partners, LLP	801/807 East Front Avenue	Rehab	03/03/04	03/23/04	03/29/04	\$151,300	\$398,840	\$420,000	\$52,795	06/30/05	\$409,848	\$454,500	3
12-B	Mark Garner	302 East Thayer Avenue	Rehab	05/25/04	05/25/04	06/04/04	\$49,900	\$45,000	\$125,000	\$15,715	12/06/05	\$103,455	\$128,700	2.5
13-B	AW Enterprises	216 North 2nd Street	Rehab	06/10/04	06/10/04	06/13/04	\$173,500	\$208,814	\$275,000	\$34,573	06/22/05	\$263,475	\$295,200	1
14-B	Daryl Rosenau & Clarence Saylor	225 West Broadway Avenue	Purchase	02/07/05	02/08/05	02/18/05	\$187,000	\$89,560	\$182,500	\$15,030				
15-B	J & L Development, Inc.	324 North 3rd Street	Rehab	11/15/04	12/14/04	02/19/05	\$500,000	\$750,000	\$900,000	\$113,500	09/15/06	\$688,386	\$596,500	6
16-B	Prologie Gifts, Inc.	121 North 4th Street	Lease	03/02/05	03/04/05	03/29/05	N/A	\$128,000	N/A	N/A	06/24/05	N/A	N/A	6
17-B	Zorilla Jewelry Inc.	221 South 9th Street	New Construction	06/20/04	03/08/05	03/22/05	\$20,100	\$200,000	\$200,000	\$25,000	07/30/05	\$191,896	\$170,800	6
18-B	Swain & Ed Stroh/Petals & More	122 East Rowan Avenue	Rehab	06/25/05	06/13/05	09/21/05	\$120,300	\$44,075	\$130,000	\$16,900				
19-B	CCC Properties, LLP	310 South 9th Street	Purchase	06/26/05	06/13/05	09/21/05	\$410,400	\$168,000	\$450,000	\$58,500	07/01/06	\$296,372		0
20-B	Bank Center First	320 North 4th Street	Rehab	06/21/05	06/27/05	10/04/05	\$609,500	\$3,100,000	\$2,000,000	\$258,760				
21-B	Foot Cars Associates PC	310 South 9th Street	Lease	01/12/06	01/24/06	02/03/06	N/A	N/A	N/A	N/A	04/01/06	N/A	N/A	3.5
22-B	Dentyna, Inc. (Bakke & Raker)	310 South 8th Street	Lease	01/12/06	01/24/06	02/03/06	N/A	N/A	N/A	N/A	03/13/06	N/A	N/A	12
23-B	Duemeland Properties, LLP	302 South 3rd Street	Purchase	01/12/06	02/14/06	02/16/06	\$312,700	\$190,900	\$345,000	\$44,840	12/01/06	\$227,295		0
24-B	Duemeland Properties, LLP	312 South 3rd Street	New Construction	01/12/06	02/14/06	02/16/06	N/A	\$215,223	\$250,000	\$32,900	12/01/06	\$233,856		0
25-B	Meloch Media, LLC	208 North 4th Street	Purchase	01/12/06	02/14/06	02/16/06	\$247,000	\$113,656	\$320,000	\$41,800				
26-B	River Q, LLC	312 South 3rd Street	Lease	04/13/06	04/25/06	05/05/06	N/A	N/A	N/A	N/A	12/04/06	N/A	N/A	21
27-B	Gain Group LLC	412 East Main Avenue	Rehab	05/23/06	05/23/06	05/30/06	\$47,800	\$40,000	\$75,000	\$8,990	10/20/06	\$40,292		0
28-B	Heartland Mortgage Company	412 East Main Avenue	Lease	05/23/06	05/23/06	05/30/06	N/A	N/A	N/A	N/A	07/01/06	N/A	N/A	4
29-B	Blumenthal USA, dba Verizon Wireless	302 South 3rd Street	Lease	07/24/06	07/25/06	08/02/06	N/A	\$100,000	N/A	N/A	09/14/06	N/A	N/A	6
30-B	Visionary LLP	122 East Main Avenue	New Construction	10/09/06	10/19/06	12/05/06	N/A	\$3,020,590	\$3,200,000	\$370,000				
					TOTALS		\$8,846,100	\$13,014,688	\$15,963,200	\$2,051,846		\$8,470,303	\$9,457,700	119.75



**Testimony of Bill Shalhoob
Economic Development Association of North Dakota
HB 1225**

Mr. Chairman and members of the committee, my name is Bill Shalhoob. I am representing the Economic Development Association of North Dakota (EDND).

EDND is the voice of the state's economic development community and provides networking for its 80 members, which include development organizations, communities, businesses and state agencies. Our mission is to increase economic opportunities for residents of the state by supporting primary sector growth, professionalism among economic development practitioners and cooperation among development organizations. We are asking that you support HB 1225 and thus, North Dakota's economic growth.

We are all aware of the efforts and programs we have developed over the years in to spur economic development in our state. We see HB 1225 as a logical extension of a tool that has proven to be very effective for North Dakota communities and their developers.

Under the existing renaissance zones, businesses and individuals qualify for one or more tax incentives for purchasing, leasing or making improvement to real property located in a North Dakota Renaissance Zone.