



RENAISSANCE ZONE

APPLICATION AND GUIDELINES FOR PROJECT APPROVAL

City Auditor: RoxAnne Hoffarth

2021



Renaissance Zone Project Application

Project # _____ Block # _____

The Renaissance Zone Board requires application and approval **before you begin a new project** (including new construction, rehabilitation or closing) by both the Renaissance Zone Board and the City Commission. **Approval may take up to 4 weeks.** Your attendance at the Renaissance Zone Board meeting and the City Commission meeting is expected.

Renaissance Zone exemptions begin the year following project completion. There is no exemption on partially completed construction. Property will be taxed on the percentage of construction completed as of February for the year(s) prior to completion. Property tax exemption begins after the certified construction costs are approved.

For more information about the Renaissance Zone Program, see Goals of the City of Langdon Renaissance Zone (Form B) and Guidelines for Project Approval (Form C).

Submit this application and the following paperwork to City Hall:

- Certificate of Good Standing from ND Tax Department
- Signed letter from Building/Fire Inspector (enclosed)
- Property Tax Worksheet (enclosed)

1. Type of project: Business Residential

2. **Name of applicant(s)/ or business name:** _____

Phone number: _____ If business, type of entity: _____

Street Address of project: _____

Mailing Address of applicant: _____

City: _____ Renaissance Zone Block: _____

Parcel #: _____ Legal description: _____

3. For residential projects, provide evidence that the home purchased is the taxpayer's primary residence.

Project type:

- a. Purchase (to include new construction)
- b. Purchase with major improvements (applies only to commercial projects) Lease
 - i. What type of lease?
 - New Expansion Continuation of Lease Leasehold Improvement
 - If this is an expansion, what are the additional square feet of the expansion?
 - ii. If this is a lease project, does it involve the relation of a business from one location in the city to the Renaissance Zone or from one Zone property to another Zone property? Yes No
- c. Rehabilitation
 - i. What type of rehabilitation project?
 - 1. Commercial, 50% of the true and full value
 - 2. Residential, 20% of the true and full value
 - ii. Indicate current true and full value \$ _____

d. For rehabilitation projects or new construction, provide a description of the work and estimated costs:

Work to be done	Description	Estimated Cost
Building		
Electrical		
Plumbing		
HVAC		
Parking Lot/Site		
Land Cost		
TOTAL COST		

- 4. Does this project involve historical preservation or renovation? Yes No
 - a. For projects that involve historical preservation or renovation, but are not part of a rehabilitation project, provide a description of work and the estimated costs. A letter of approval from the Historical Society is required to claim any historical tax credits either on a rehabilitation project or renovation.
 - b. Information for historical properties may be obtained by contacting the Historical Society at (701) 328-2666.
- 5. For projects other than the purchase (includes new construction) or rehabilitation of single family home and historical preservation and renovation, describe how the overall

benefit(s) of the project to the community, and meets or exceeds the financial and tax benefit to the businesses or investor.

6. Is the project being funded by a Renaissance Fund Organization? Yes No

If yes, describe the type and amount of financing and the name of the Renaissance Fund Organization.

7. Provide the estimated state and local tax benefit to the taxpayer for five years (applies to all projects).

Total State tax benefit for five years	\$ _____
Total Property tax benefit for five years	\$ _____
Total Non-participating owner tax credit	\$ _____

The following section will be completed by City staff.

9. Zone Authority and City Documentation:

Date of approval or conditional approval _____ / _____ / _____

Minutes (other supporting documentation that indicates formal approval)

10. Identify from the Development Plan the specific criteria used to approve the project:

11. **Evidence that the taxpayer is current on state taxes.** (Taxpayers can contact the Office of State Tax Commissioner to receive a Certificate of Good Standing. This request must indicate that it is for a Renaissance Zone Project.)

Letter of Good Standing Attached? Yes No

14. **Expected date of occupancy** _____ / _____ / _____

NOTE: The DCS reserves the right to reject a zone-approved project or to continue negotiating its approval. When a project is approved by the DCS, the local zone authority will be notified in writing.

If after a project is approved and the property changes hands or a replacement project is approved during the five year exemption period, the DCS does not need to approve the transfer or the replacement project. The zone authority, however, must notify the DCS of the change and provide the applicable information about the new homeowners, business, and/or investor. The zone authority must also notify the DCS if any other change occurs in the status of the business or investor tax would affect the exemption approved.

Once the project is completed, DCS must be informed by email, Fax or letter of the exact date of completion, and project number before the final letter of approval can be issued.

On historical Renovations/rehabilitations documentation from the Historical Society approving the final restorations must be submitted to DCS prior a final letter of approval can be issued.

Applicant Signature _____

Date _____

Additional Information for the City of Langdon's Renaissance Zone Board:

15. Current use and zoning of property. _____

Will the property need to be rezoned? Yes No

16. Square footage of the lot and of the building – each floor should be listed separately:

Lot size: _____

Building floor: _____ Square Footage: _____

Building floor: _____ Square Footage: _____

17. Describe the extent of the exterior renovation and/or property improvements – include site and/or building plans or renderings or floor plan. _____

18. Describe how the overall benefits to the community exceed the tax benefit to the owner (i.e. jobs created, increased tax base in five years, revitalization of railroad property, enhanced image, etc.). _____

19. Provide documentation that the project cost meets the city's minimum guidelines for project approval (see form C).

20. **True and full value of building** (Contact City Assessor)

Land Value \$ _____

Building Value \$ _____

Total \$ _____

Date: _____

TO: City of Langdon Renaissance Zone Authority Board

PROJECT: _____

The Renaissance Zone applicant agrees to provide this form and preliminary construction document information to the Building Inspector for review as a prior requirement to presenting your project before the Renaissance Zone Authority Board and receiving a building permit. This necessary construction document information may include site plan(s) or supporting site information, floor plans, exterior elevation, interior elevations, building sections, construction details and specifications, and any engineering or industry certifications. The Renaissance Zone applicant also agrees to contact the Building Inspector for all required inspections, which will be listed on the back of the building permit, and to make any necessary changes to the project's construction if the building official finds building code infraction(s) during said inspections. The Renaissance Zone applicant understands that the City of Langdon does not certify warranty or guarantee the code compliance of any construction, building design, acceptable occupancy or any consequences that may arise due to the interaction of any materials, products, construction processes and/or project design.

I have read, understand and agree to the above,

Signature of Renaissance Zone Applicant

Printed Name of Renaissance Zone Applicant

Signature of Building/Fire Inspector

Building/Fire Inspector Information

Gary Bimler
Building Inspector
10028 103rd Avenue
Langdon, ND 58249
(701) 370-1743

Darol Hoffman
Fire Inspector
1804 7th Street
Langdon, ND 58249
701-370-0392

Property Tax Worksheet

Structure Value only - exclude Land Value

	Residential	Commercial
True and full value of property (exclude land value) (see City Assessor or property tax statement)		
Multiply by 50%	50%	50%
Assessed Value:.....	\$ -	\$ -
For commercial property multiply by 10% For residential property multiply by 9%	9%	10%
Taxable Value:.....	\$ -	\$ -
Multiply taxable value times the mill levy/1000 the total consolidated mill levy for 2018 is	0.30713	0.30713
Property Tax:.....	\$ -	\$ -



REQUEST FOR RENAISSANCE ZONE CERTIFICATE OF GOOD STANDING OR STATE TAX CLEARANCE RECORD

OFFICE OF STATE TAX COMMISSIONER
SFN 28220 (09-2017)

ND Tax Department Use Only

- Approved
- Not approved

Part 1 - Type of request

This is a request for a: *(Check applicable box)*

- A. Renaissance zone certificate of good standing (N.D.C.C. § 40-63-11)
- B. State tax clearance record for local tax incentive other than a renaissance zone incentive (N.D.C.C. § 57-01-15.1)

Part 2 - Taxpayer information

Legal name of taxpayer *(If a sole proprietorship, enter name of individual who owns the business.)*

Trade or doing business as name, if different from legal name above

Current mailing address

City

State

ZIP Code

Type of entity

- Individual *(or sole proprietorship)*
- Regular (C) corporation
- Partnership *(all types)*
- Subchapter S corporation
- Estate or trust

- Limited liability company *(filing as a partnership)*
- Limited liability company *(filing as an S corporation)*
- Limited liability company *(treated as a disregarded entity) - Identify owner below:*
 Owner's name: _____
 Owner's social security number or FEIN: _____
- Other *(Identify)* _____

Social security number *(of individual or owner of sole proprietorship)*

Federal employer identification number (FEIN)
(If a sole proprietorship, enter FEIN if it has one)

Is taxpayer a newly created business this year? Yes No

If taxpayer is a business, what is the principal business activity? _____

Did taxpayer file a North Dakota income tax return for the most recent tax year? Yes No
(If a newly created business this year, skip this question.)

If no, explain _____

Does (or will) taxpayer sell tangible personal property or services for which North Dakota sales tax must be collected from the customer? Yes No

If yes, has taxpayer applied for or obtained a North Dakota sales tax permit? Yes No

If no, explain _____

Does (or will) taxpayer have employees whose wages are subject to North Dakota income tax withholding? Yes No

If yes, has taxpayer registered for North Dakota income tax withholding? Yes No

If no, explain _____

Taxpayer's signature

Date

Printed name of taxpayer

Contact Telephone Number

PRIVACY ACT NOTIFICATION

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 57-01-15 and 57-38-42, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Mail request to: Individual Income Tax Section
Attn: Supervisor
Office of State Tax Commissioner
600 E. Boulevard Ave.
Bismarck ND 58505-0599

Or fax request to: 701.328.1942

Important: The renaissance zone certificate of good standing or state tax clearance record will only be sent to the taxpayer or to the taxpayer's designated representative shown on a North Dakota Form 500 attached to this form.

Part 3 - Owner/Responsible Person Information

- If **Box A** (Renaissance zone certificate of good standing) is checked in Part 1, and the taxpayer identified in Part 2 is a partnership, subchapter S corporation, or a limited liability company (treated like a partnership or subchapter S corporation), provide the name and social security number or federal employer identification number (FEIN) of all of the business’s owners.

***Note 1:** If any owner is a single-member limited liability company (SMLLC) that is a disregarded entity for federal income tax purposes, enter the name and identification number of the person who owns the SMLLC (not the name and identification number of the SMLLC).*

***Note 2:** If any owner is another partnership or other type of passthrough entity (upper-tier entity), provide the names and identification numbers of both the upper-tier entity and the owners of the upper-tier entity. If there is more than one upper-tier level, this applies to each upper-tier level.*

- If **Box B** (State tax clearance record for other local tax incentive) is checked in Part 1, and the taxpayer identified in Part 2 is a regular “C” corporation, subchapter S corporation, or a limited liability company (treated like a partnership or subchapter S corporation), only enter the name and social security number or federal employer identification number (FEIN) of any officer, partner, governor, or managing member who is responsible for the business’s tax obligations. If there is more than one responsible person, include all responsible persons.

Note: You may attach your own statement in lieu of filling out this page.

Name of Owner/Responsible Person	Social Security Number or FEIN

If additional lines are needed, attach additional pages or attach your own statement.

RENAISSANCE ZONE GUIDELINES FOR PROJECT APPROVAL

The City of Langdon wants to encourage investment within the Renaissance Zone to improve deterioration properties and to curtail the vacation of building 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 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. A transfer of the property ownership does not automatically qualify a property as an approved zone project. The intent of these criteria is to encourage and reward significant levels of investment in zone properties. However, each project is based on its own merits and the City of Langdon may waive any of these requirements if they deem a business should receive benefits for the good of the community and the State's minimum criteria have been met.

CURRENT RESIDENTIAL PROPERTY

- ✓ Property may not have been part of a previous zone project.
- ✓ Property must be zoned as residential.
- ✓ Property must be 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:
 - 20% of the true and full value of the property prior to improvements.
 - \$10,000.00 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, and 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 bases 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.
- ✓ A zone project is defined as the rehabilitation or historical preservation or renovation of a building or a space in a building.

NEW RESIDENTIAL CONSTRUCTION

- ✓ Property must be of conforming use.
- ✓ Property must be consistent with visions and goal of the City of Langdon.

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 the 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 Main Street and Highway One.
- ✓ Proposed 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.
 - \$10,000.00 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, and doors, electrical, plumbing, heating and cooling systems. Capital improvements do not include new floor coverings, 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 Langdon.
- ✓ Investment of \$20 in capital improvements per square foot.

COMMERCIAL LEASES

- ✓ Continued leases in buildings being rehabilitated as a zone project will be considered as new leases.
- ✓ Building has been determined by Zone Authority to have been restored or rehabilitated prior to the establishing of the zone.
- ✓ Business must be consistent with the zone goals and objectives.

RELOCATION OF COMMERCIAL BUSINESSES

- ✓ Commercial tenants that are relocating from one zone property to another are not eligible for tax incentives without special approval from the Zone Authority unless there is a legitimate business expansion.
- ✓ Commercial tenants that are relocating from another ND community to Langdon are not eligible for tax incentives without special approval from the Zone Authority.

PERCENTAGE OF EXEMPTION

- ✓ 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. (Property taxes on land are not exempt.) New construction that requires building demolition in order to construct the zone project must demolish existing structures set for removal prior to application for project consideration in zone.
- ✓ Non-conforming properties that make structural changes to provide for a change in use to bring the property into compliance with city plans and ordinances shall be eligible for 100% property tax exemption.
- ✓ Property meeting the criteria of the Renaissance Zone shall be eligible for 100% property tax exemption on the existing building and improvements.
- ✓ Income tax exemptions are awarded at 100% for income generated in the Renaissance Zone for business operating in an approved project.
- ✓ Tenants leasing space in an approved Renaissance zone project are eligible for 100% income tax exemption for the business operation in the approved project.

CRITERIA FOR PROJECT APPROVAL

The intent of the criteria is to encourage and reward levels of investment in Renaissance Zone properties. The City of Langdon will encourage investment within the Renaissance Zone to improve deteriorating properties and to stop the vacation of buildings which leads to a decrease in tax base. The Renaissance Zone is planned to meet the future needs of the community. Use of property must be consistent with the Goals and Visions set for the Renaissance Zone as outlined in this document.

Basic goals we hope to achieve with the continuation are as follows:

- Development/Improvement of Core of City of Langdon
- Address Housing Needs
- Economic/Commercial Development and Expansion
- Tourism/Lodging
- Each proposed Renaissance Zone project will be evaluated by the Zone Authority and rated according to a number of factors. The Zone Authority will have the discretion of recommending to the City Commission that incentives be awarded up to a certain level, within the defined guidelines, or submit the project with no recommendations.
- Zone project involving tax incentives for single-family dwellings will require an affidavit by the applicant that they intend the housing unit to be their primary residence. This includes each type of single family home, detached or attached homes, twinhomes, town houses and condominiums.
- The guidelines in attachment "F" are factors that will be used to evaluate the varied range of projects that are likely to come before the Zone Authority. (Compliance with each of the guidelines in attachment "F" is not necessary for project approval.) These guidelines are factors to be used to evaluate the varied range of projects that are expected to be presented.
- Each project application will need to follow the attached "Guidelines for Project Approval", shown in attachment "F", at a minimum. These guidelines will help the City achieve its goals and objectives in the following ways:

Develop and Improve Core of City of Langdon

Retain and restore historic properties by requiring projects to address substantial capital improvements that increase value and life expectancy of existing buildings. This will create a greater interest in preserving historic buildings rather than demolishing them to rebuild.

Improve the appearance of Main Business District. Setting minimum floor levels of capital improvements to qualify as a zone project, requiring projects to address all visible exterior deterioration issues and requiring the improvements to substantially improve the life expectancy of the property all lend themselves to an improved appearance. This will also fill vacant lots adding business to the district. The district will be encouraged to maintain a common storefront theme to give a special feel to the district.

Increase Business Traffic, in addition to improving the appearance of the business district through minimum floor levels for qualifying improvements and theme storefronts, the guidelines encourage new business start-ups and/or relocation by granting tax incentives to businesses that locate within the zone.

Creation of Quality Jobs -The criteria support establishment of high quality businesses. This will also help expand retail and professional services offered to the public.

Address Housing Needs

Setting minimum floor levels of capital improvements, requiring the elimination of all visible exterior deterioration issues and requiring the improvements to substantially improve the life expectancy of the property. When combined with tax incentives, this will bring about the changes needed to enhance the residential image of the community.

Increase Availability and Occupancy of Upstairs Apartments. Some of the main street buildings in the zone have been renting spaces above their buildings. There could be more rental spaces made above existing buildings. With the tax incentives available from the Renaissance program renovation of existing unused spaces or creation of new ones could become a reality.

Economic/ Commercial Development & Expansion

The criteria support commercial development and expansion. Expansion in the zone will take place in the main business corridors in the City. This type of expansion will create stronger business districts that will strengthen the economy and tax base.

Tourism/Lodging

The criteria support commercial development and expansion. With this the City plans to create an atmosphere that will foster tourism growth. There is also a need for additional lodging services in the area. With the growth anticipated within the zone, creation of more lodging would be encouraged in the zone.

1. Potential homeowners will be identified and verified by the City of Langdon with the use of a yearly form to identify primary residence. The City's access to tax assessment, water and sewer records will be used to monitor projects.

2. The City of Langdon will approve either partial or complete property tax exemptions based on the level of investment and benefit to the community.

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. (Property taxes on land are not exempt.)

Property meeting the criteria of the Renaissance Zone shall be eligible for 100% property tax exemption on the existing building and improvements.

Income tax exemptions are awarded at 100% for income generated in the Renaissance Zone for business operating in an approved project.