

Commercial Properties

#1: Project investment's percentage of current true and full value

0-49.99%	Ineligible
50-54.99%	1 point
55-59.99%	2 points
60-64.99%	3 points
65- 69.99%	4 points
70% +	5 points

Not applicable for "purchase only" projects

#2: Will the project increase the number of features and/or enhance the functionality of the commercial structure?

5 pts	Strongly agree
4 pts	Mostly agree
3 pts	Agree
2 pts	Slightly agree
1 pt	Neutral/No effect
0 pts	Slightly disagree/minor adverse effect
-1 pt	Disagree/major adverse effect
-2 pt	

Features that improve the functional nature of the commercial property include but are not limited to: adding usable square feet, making unoccupied space usable, and adding or renovating spaces required for operating the business (e.g. kitchen, production areas, equipment, or showroom space).

#3: Will the project improve the condition of the property and/or address building code violations and other health and safety-related items?

5 pts	Strongly agree
4 pts	Mostly agree
3 pts	Agree
2 pts	Slightly agree
1 pt	Neutral/No effect
0 pts	Slightly disagree/minor adverse effect
-1 pt	Disagree/major adverse effect
-2 pt	

A goal is to incentivize investment into the rehabilitation of properties that are experiencing dilapidation, underutilization, and identified building code violations. Extending the lifespan of the structure and its systems is heavily encouraged.

#4 Will neighboring property owners and the public-at-large benefit from the project?

5 pts	Strongly agree
4 pts	Mostly agree
3 pts	Agree
2 pts	
1 pt	Slightly agree
0 pts	Neutral/No effect
-1 pt	Slightly disagree/minor adverse effect
-2 pt	Disagree/major adverse effect

People other than the property owner may benefit through the elimination of negative externalities (e.g. properties with pests or rodents, vacant buildings harbor delinquent behavior, unaesthetic visuals, dilapidation that is dangerous to adjacent properties, and so on) and the creation of positive externalities (e.g. enhanced curb appeal, reuse of vacant structures, increased property values, etc.). Projects that are “purchase only” must have a demonstrable public benefit beyond just the transfer of ownership.

Positive externalities may result if the property is an “activity generator” in that it increases the number of customers coming to the block. Examples include retail, restaurants, personal services, and entertainment facilities. Similarly, the business may add to the range of goods and services offered in Kindred, thus making the town more appealing vis-à-vis surrounding communities.

The public can benefit if the project enhances the “walkability” of the block by having active uses on the ground floor, creating outdoor gathering spaces for customers, and orientating automobile traffic away from conflict points with pedestrians. Good urban design principles are another element that benefits others. This can be accomplished through proper building massing and form, building materials, streetscape, building orientation and recognition of the importance of defined block corners, architectural styles, high building coverage percentages, context appropriate setbacks, design longevity, street level transparency, and preservation of historic character-defining features.

#5 Discretionary Evaluation

The Renaissance Zone Committee members shall each score the application based upon their judgement of the project’s worth as it relates to the goals of the RZ program. The averages of the committee member’s scores will be added to the sum of the preceding scores. The maximum number of points which can be earned under this discretionary category is 20.

For applications to be approved, it must score 20 points out of the 40 points possible.

Residential Properties

#1: Project investment's percentage of current true and full value

0-19.99%	Ineligible
20-24.99%	1 point
25-29.99%	2 points
30-34.99%	3 points
35-39.99%	4 points
> 40%	5 points

Not applicable for "purchase only" projects.

#2: Will the project increase the number of features and/or enhance the functionality of the residence?

5 pts	Strongly agree
4 pts	Mostly agree
3 pts	Agree
2 pts	
1 pt	Slightly agree
0 pts	Neutral/No effect
-1 pt	Slightly disagree/minor adverse effect
-2 pt	Disagree/major adverse effect

Features that improve the functional nature of the residence(s) include but are not necessarily limited to: increasing the number of bedrooms or bathrooms, making the house handicap accessible, extending the house's lifespan, adding square footage, etc.

#3: Will the project fix code violations and other threats to the inhabitant's health and safety?

5 pts	Strongly agree
4 pts	Mostly agree
3 pts	Agree
2 pts	
1 pt	Slightly agree
0 pts	Neutral/No effect
-1 pt	Slightly disagree/minor adverse effect
-2 pt	Disagree/major adverse effect

A goal of the RZ program is to prevent blight and underutilization by incentivizing the rehabilitation and restoration of properties that are experiencing dilapidation and have building code violations. The City's building inspector will identify those violations that must be fixed before the residence can be occupied.

#4: Will neighboring property owners and the public-at-large benefit from the project?

5 pts	Strongly agree
4 pts	Mostly agree
3 pts	Agree
2 pts	
1 pt	Slightly agree
0 pts	Neutral/No effect
-1 pt	Slightly disagree/minor adverse effect
-2 pt	Disagree/major adverse effect

People other than the property owner may benefit through the elimination of negative externalities (e.g. properties with pests or rodents, vacant buildings harbor delinquent behavior, unaesthetic visuals, dilapidation that is dangerous to adjacent properties, and so on) and the creation of positive externalities (e.g. enhanced curb appeal, reuse of vacant structures, increased property values, etc.). Projects that are "purchase only" must have a demonstrable public benefit beyond just the transfer of ownership.

#5: Discretionary Evaluation

Each Committee member shall score the application based upon their judgement of the project's worth as it relates to the goals of the RZ program. The averages of the committee member's scores will be added to the sum of the preceding scores. The maximum number of points which can be earned under this discretionary category is 20.

For applications to be approved, it must score 20 points out of the 40 points possible.

Basis for Determining Amount of Local Property Tax Exemption

The City will elect to keep its local property tax exemption regime the same for both residential and commercial properties. This is up to 100% exemption for five years of the property's value exclusive of the value of the land.

In Kindred, the eligible projects types are listed below:

	Property Tax	Income Tax
<p><i>Purchase Only</i></p> <p>-----</p> <p>For the purchase of properties with no rehabilitation or new construction (i.e. transfer of ownership).</p>	<ul style="list-style-type: none"> Commercial applicants will receive a complete exemption (100%) of the property's entire building value for 5 years. The purchase must be for property that is already developed. Applicants may occupy the property for their businesses and/or rent out to other businesses and/or residents. Residential applicants will receive a complete exemption (100%) of the property's building value for 5 years. The property must be the taxpayer's primary place of residence. The purchase must be of property that is already developed. 	<ul style="list-style-type: none"> Commercial applicants may obtain a business or investment income exemption per NDCC § 40-63-04(2) or a business purchase or expansion tax credit per NDCC § 40-63-04(3). Residential applicants may obtain a single-family residence tax credit per NDCC § 40-63-04(1).
<p><i>Lease Only</i></p> <p>-----</p> <p>For the lease of properties with no renovation done</p>	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Commercial applicants will obtain a business or investment income exemption per NDCC § 40-63-04(2).
<p><i>Purchase with Major Improvements</i></p> <p>-----</p> <p>For the purchase of a vacant building followed by renovations</p>	<ul style="list-style-type: none"> Commercial applicants will receive a complete exemption (100%) of the property's entire building value for 5 years. Applicants may occupy the property for their businesses and/or rent out to other businesses and/or residents. Residential applicants will receive a complete exemption (100%) of the property's building value for 5 years. The property must be the taxpayer's primary place of residence. 	<ul style="list-style-type: none"> Commercial applicants will obtain a business or investment income exemption per NDCC § 40-63-04(2) or a business purchase or expansion tax credit per NDCC § 40-63-04(3).

<p><i>Leasehold Improvements</i></p>	<p>Not applicable</p>	<ul style="list-style-type: none"> Commercial applicants may obtain a business or investment income exemption per NDCC § 40-63-04(2) or a business purchase or expansion tax credit per NDCC § 40-63-04(3).
<p><i>Rehabilitation Only</i></p> <p>-----</p> <p>For the repair or remodel of a building on a foundation</p>	<ul style="list-style-type: none"> Commercial applicants will receive a complete exemption (100%) of the property's entire building value for 5 years. <p>Applicants may occupy the property for their businesses and/or rent out to other businesses and/or residents.</p> <ul style="list-style-type: none"> Residential applicants will receive a complete exemption (100%) of the property's building value for 5 years. The property must be the taxpayer's primary place of residence. 	<ul style="list-style-type: none"> Commercial applicants may obtain a business or investment income exemption per NDCC § 40-63-04(2) or a business purchase or expansion tax credit per NDCC § 40-63-04(3). Residential applicants may obtain a single-family residence tax credit per NDCC § 40-63-04(1).
<p><i>Historic Preservation & Renovation</i></p>	<ul style="list-style-type: none"> Commercial applicants will receive a complete exemption (100%) of the property's entire building value for 5 years. <p>Applicants may occupy the property for their businesses and/or rent out to other businesses and/or residents.</p> <ul style="list-style-type: none"> Residential applicants will receive a complete exemption (100%) of the property's building value for 5 years. The property must be the taxpayer's primary place of residence. 	<p>Commercial and residential applicants may obtain a historic preservation or renovation tax credit per NDCC § 40-63-06</p>
<p><i>Utility Infrastructure</i></p>	<p>Kindred elects to not make utility infrastructure projects eligible under its RZ</p>	<p>Kindred elects to not make utility infrastructure projects eligible under its RZ</p>

Utility Infrastructure Projects

The City of Kindred does not wish to include utility infrastructure projects in its RZ program.

V. RENAISSANCE FUND ORGANIZATION

The City of Kindred does not wish to establish a Renaissance Zone Fund at this time. However, it will reserve the right to examine the feasibility at a later date and to create or contract with a Renaissance Fund Organization in the future with the approval of the Division of Community Services.

VI. LOCAL COMMITMENT

1. Public Meetings

The City of Kindred held one public meeting on _____. The questions and issues brought up by the participants included:

- ---
- ---
- ---

The City of Kindred will enforce the provisions of N.D.C.C Chapter 40-64, as it enforces other laws of the City granted by the State of North Dakota.

The RZC and the City Council will rely on the advice of the City Attorney and ND Division of Community Services if it finds peculiarities in projects at the time of the project review.

2. Letters of Support

3. Resolution