

What is the Renaissance Zone?

A Renaissance Zone is a tool for community development and economic investment. A zone is not simply a method to provide tax exemptions and credits, but allows for the creation of projects that clearly relate to the long term development plans of the city.

In 1999 the North Dakota State Legislature created the Renaissance Zone Act, which allows for North Dakota cities to apply to the state to create a Renaissance Zone within their city. The Dickinson Renaissance Zone, consisting of 25 blocks, was approved by the state of North Dakota on July 1, 2004.

A Renaissance Zone is a defined geographical area of up to 20 contiguous blocks with a contiguous boundary. Additional blocks can be added based on a city's population. Typically located in the center of a city, the zone consists of both residential and commercial properties that need to be revitalized. The Renaissance Zone Act provides for tax exemptions and credits to encourage investment in these properties. A zone is in effect for fifteen years after the state approves the zone.

RESOURCES

Local:

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Historic Preservationist, City of Dickinson
Dickinson, North Dakota
701-456-6225
www.dickinsongov.com
www.dickinsonmuseumcenter.org
E-mail: info@dickinsonmuseumcenter.org

State:

Department of Commerce-
Division of Community Services
P.O. Box 2057
Bismarck, ND 58502
701-328-5300
www.nd.gov/dcs/community/zone/

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Washington, D. C. 20240

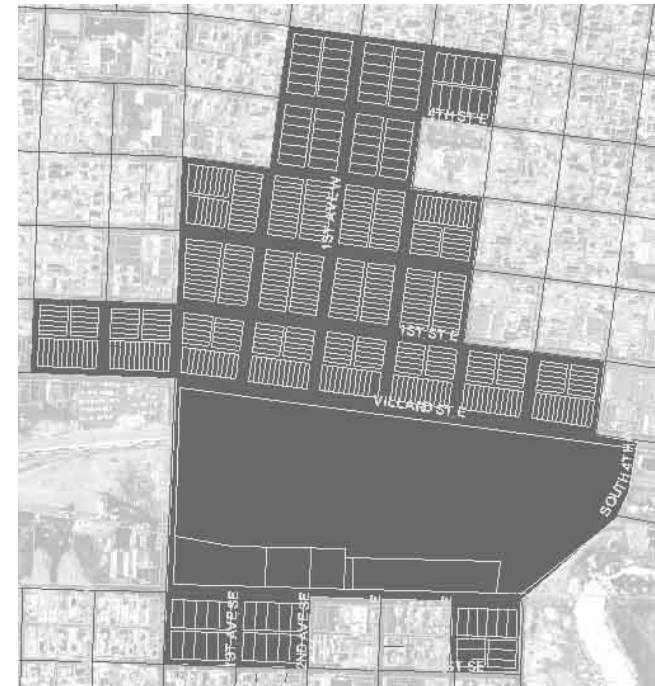
Dickinson Museum Center

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Dickinson Museum Center

REFERENCE FOR THE DICKINSON RENAISSANCE ZONE



www.dickinsonmuseumcenter.org

Who qualifies?

Any taxpaying entity (individual or business), in good standing, who builds or improves property in the designated zone could qualify for tax incentives approved by the State of North Dakota and the City of Dickinson.

How do I apply?

Applications are available at Dickinson City Hall, or www.dickinsongov.com.

Projects must be approved by the Dickinson Planning and Zoning Commission, Dickinson City Commission, and the North Dakota Division of Community Services before a purchase and/or improvements can begin.

Failure to complete the application process will disqualify projects from qualifying for the program.

How are Projects Evaluated?

Renaissance Zone projects will be evaluated based upon the goals and objectives of the program. Each potential Zone project will have two separate public hearings, one before the Planning and Zoning Commission, and one before the Dickinson City Commission. Once a project has been approved by the Dickinson City Commission, it is then forwarded to the North Dakota Division of Community Services for final approval prior to the start of proposed project.

All projects must comply with planning and zoning standards. All required permits must be obtained. All projects must involve capital improvements (such as a new roof). Cosmetic improvements alone (such as new carpet) do not qualify a project, although they can be included in overall investment costs.

What Types of Projects are Allowed?

- *Purchase of property*
- *Lease of property*
- *Purchase of property with major improvements (or purchase of property with new construction)*
- *Rehabilitation of property (or new construction on existing property)*
- *Historical preservation and renovation (also requires approval from the SHSND)*

Projects must meet one of the following minimum requirements to be considered for approval:

- A residential property owner must invest at least 20% of the full and true value in the property.
- A commercial property owner must invest at least 50% of the full and true value in the property.
- Any property within the zone that is already in good condition may still qualify for a partial exemption if they improve the property value by at least 20%.
- Projects involving the restoration of an original store front may be considered eligible for an exemption if they also meet one of the objectives of the zone.
- Any property purchased must be a property needing rehabilitation as identified by the City, and the new owner must commit to improving the property

- Any lease of a business space may qualify for status as a zone project if the lease meets the goals and objectives of the renaissance zone plan

State Income Tax Exemptions

- Individual tax payers who purchase or rehabilitate a single-family home for their primary place of residence are exempt up to \$10,000 of personal income tax liability up to five years.
- Taxpayers that purchase, lease, or rehabilitate residential or commercial property for any business or investment purpose are exempt from any income tax on income derived from the business or investment location, up to five years.

Property Tax Exemptions

- The city may grant partial or complete exemption from ad valorem taxation on single family residential property for five years, excluding land value, if the property was purchased or rehabilitated by an individual for the individual's primary place of residence.
- The city may grant partial or complete exemption from ad valorem taxation commercial property for five years, excluding land value, for buildings, structures, fixtures, and improvements purchased or rehabilitated for any business or investment purpose.

A Historic Preservation Tax Credit of 24% of the investment is allowed for preservation and renovation of eligible historic property, up to \$250,000, for state tax liability not to exceed five years

All tax exemptions are subject to approval by the city of Dickinson and the state of North Dakota.