



City of Grand Forks  
Staff Report

City Council – August 5, 2019

**APPROVED & ACCEPTED**  
*by City Council*

08/05/2019

*Maureen Storstad*  
Maureen Storstad  
City Auditor

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**Agenda Item:** Grand Forks Renaissance Zone Project GF-62: 421 Demers Avenue

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**Prepared by:** Andy Conlon, Community Development Specialist

**Submitted by:** Meredith Richards, Community Development Director

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**Staff Recommended Action:** Approve Renaissance Zone Project GF-62 contingent on receipt of Certificate of Good Standing and authorize staff to submit the project to the North Dakota Department of Commerce, Division of Community Services for action.

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**August 5, 2019 – City Council Action:** Approved unanimously on consent agenda

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**BACKGROUND:**

Hal & Kathy Gershman have submitted a Renaissance Zone application for a rehabilitation project at 421 Demers Avenue. The project will involve the remodel/fit-up of the space for restaurant/retail use as well as structural improvements to the building.

Renaissance Zone regulations require applications be approved, both locally and at the State level, prior to commencement of the project. Applicants must also provide a "Certificate of Good Standing" from the ND Tax Commissioner's Office. Staff expects receipt of the Certificate shortly.

**ANALYSIS AND FINDINGS OF FACT:**

- If approved, the project will be eligible for a five-year state income tax exemption for business income generated from this investment and a five-year full property tax exemption on the value added by the proposed site improvements. The project is estimated to have a post-construction value of \$750,000.
- Under the State Renaissance Zone requirements, Rehabilitation Projects are required to invest 50% of the current true and full building value (\$277,400) into the building in order to qualify for the program. The improvements will exceed the 50% threshold, qualifying this as an eligible project.
- This project meets the following Renaissance Zone goals in the Development Plan:
  - Encourage retail development
  - Enhance the appearance of major downtown corridors
  - Enhance ground floor uses that promote a lively, vibrant atmosphere
  - Support a pedestrian-oriented environment
  - Promote downtown as a historic, cultural, entertainment and recreational center of the City