

# City of Wahpeton Renaissance Zone Guidelines

The City of Wahpeton encourages investment within the Renaissance Zone to improve deteriorating commercial and residential properties and to curtail the vacation of buildings and potential decline in tax base. Properties should be renovated or built to meet the needs of the community and conform to the 2030 Comprehensive Plan. Projects that create jobs only and don't necessarily require building improvements may be considered. Please refer to RZ Development Plan. Commercial properties also include Industrial zoned areas within the RZ district.

To qualify for consideration as a RZ project, a proposal must meet the following criteria. **A transfer of property ownership [Purchase Only] does not automatically qualify a property as an approved zone project.** The intent of the following guidelines is to encourage and reward significant levels of investment within the RZ. However, each project will be based on its own merits and the City of Wahpeton may waive any of these requirements by RZA recommendation if they deem the project proposed is good for the community as a whole and the State's minimum criteria have been met.

## Current Residential Property - Rehabilitation

- Property MUST be zoned as residential.
- Property must be of 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
  - \$20,000 of capital investment
- Capital improvements being proposed must substantially increase the life expectancy of the property. Capital improvements include, but are not limited to, replacement or updating of roof, foundation, structure, siding, windows, doors, 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 basis 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.
- The city may offer a 100% property tax exemption for 5 years on improvements only.

## New Construction - Residential

- Property must be of conforming use.
- Property must be consistent with vision and goals of the City of Wahpeton.
- The city may offer a 5-year declining partial property tax exemption [50-40-30-20-10] [exclusive of land tax and special assessments].

## Current Commercial Property

- For Purchase or Purchase with Major Improvements, the new property owner must apply before closing on the sale of the property.
- Property may not have been part of a previous zone project except in cases where the property is improved for leasing and a tenant is now identified.
- 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. The owner shall submit a current building inspection report prepared by a certified building inspector along with the RZ

application for review by the RZ authority prior to authorization of the project. Greater attention is required to this guideline for property located on Dakota Avenue.

- For Rehabilitation Projects for a current property owner of commercial, the 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 of capital investment
- New in 2023 – Rehabilitation projects for a commercial property, the owner must make capital improvements equal to the greater of 75% of true and full value or \$10,000 to qualify for 8-years of tax exemptions.
- 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, electrical, plumbing, heating and cooling systems. Capital improvements do not include new floor covering, window treatments, wall coverings, cabinets or furnishings.

### **New Commercial Construction or Additions**

- Property must be of conforming use.
- Property must be consistent with the Vision and Goals of the City of Wahpeton.
- Minimum investment of \$20 per square foot in capital improvements.
- The city may offer a 5-year declining partial property tax exemption [50-40-30-20-10] [exclusive of land tax and special assessments].

### **Commercial Leases**

- Continued leases in buildings being rehabilitated as a zone project will be considered as ‘new’ leases.
- Tenant must be leasing space in a building that has been approved as a zone project for current or new commercial property.
- Building has been determined by RZA to have been restored or rehabilitated prior to the establishing of the Renaissance Zone, meeting all required criteria and now needs additional incentives to bring building to full occupancy.
- Tenants planning to lease space in an approved renaissance zone project are eligible for 100% income tax exemption for the business operating in the approved project.

### **Vacant Properties**

- Vacant lots that have never been developed or built on will not receive Renaissance Zone approval per State requirements. All vacant lots within the Wahpeton Renaissance Zone are considered ‘developed’ properties.
- Properties with a history of long-term vacancies may be given special consideration by waiving some of the above-mentioned requirements.
- A property that is converted to parking for public or private use is not an eligible zone project.

### **Relocation of Commercial Businesses**

Commercial tenants that are relocating within the RZ are not eligible for tax incentives without special approval from the RZA.

Commercial tenants that are relocating from another ND community to the city Renaissance Zone are not eligible for tax incentives without special approval from the RZA.

