

M E M O R A N D U M

TO: Renaissance Zone Authority

FROM: Kylie Bagley, Planner
Maegin Elshaug, Planning Coordinator

DATE: April 22, 2020

RE: Renaissance Zone Authority Meeting

The next meeting of the Renaissance Zone Authority will be a virtual meeting held on Wednesday, April 22 at 8:00 a.m.. If you are not able to participate, please contact staff at 701.241.1474 or Planning@FargoND.gov. Thank you.

RENAISSANCE ZONE AUTHORITY Wednesday, April 22, 2020, 8:00 a.m. Virtual Meeting AGENDA

1. Approve Order of Agenda
2. Approve Minutes: Regular Meeting of October 23, 2019 (Attachment 1)
3. Review application from Epic Gateway North Real Estate Holdings, LLC (New Construction) located at 300 Main Avenue North (Attachment 2)
4. Other Business and Public Comments
5. Next Meeting – May 27, 2020

Renaissance Zone Authority meetings are broadcast live on cable channel TV Fargo 56 and can be seen live by video stream on www.FargoND.gov/streaming. They are rebroadcast each Friday at 2:30 p.m. for one month following the meeting.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Planning Office at 701.241.1474. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo Web site at [www.Fargo ND.gov/RenaissanceZoneAuthority](http://www.FargoND.gov/RenaissanceZoneAuthority).

RENAISSANCE ZONE AUTHORITY MINUTES

Regular Meeting:

Wednesday, October 23, 2019

The Regular Meeting of the Renaissance Zone Authority of the City of Fargo, North Dakota, was held in the Commission Chambers at City Hall at 8:00 a.m., Wednesday, October 23, 2019.

The Renaissance Zone Authority members present or absent were as follows:

Present: Dr. Dean Bresciani, Commissioner Dave Piepkorn, Bruce Furness, Cari Luchau, Deb Mathern, Chad Peterson

Absent: Commissioner Tony Grindberg, Steve Swiontek

Chair Mathern called the meeting to order.

Item 1: Approve Order of Agenda

Member Furness moved the Order of Agenda be approved as presented. Second by Member Peterson. All Members present voted aye and the motion was declared carried.

Member Luchau present.

Item 2: Minutes: Regular Meeting of September 25, 2019

Member Bresciani moved the minutes of the September 25, 2019 Renaissance Zone Authority meeting be approved. Second by Member Peterson. All Members present voted aye and the motion was declared carried.

Item 3: 2019 Renaissance Zone Development Plan Update

Director of Planning and Development Nicole Crutchfield presented the proposed update and noted a more formal copy was submitted today to replace the copy in the packet. She provided an overview on the updates, focusing on the Renaissance Zone Boundary Map and the breakdown of the 49 blocks that are included in the plan. Ms. Crutchfield shared staff's strategies when developing this plan. She stated staff is requesting approval today to forward the update on to the City Commission.

Discussion was held regarding the future plan options for the two blocks kept in reserve, contact from property owners adjacent to the blocks in the plan, and researching state regulations for replacing a block once a project is completed.

Ms. Crutchfield continued with a review of the Renaissance Zone tax benefits for the City and the downtown area. She referred to the last four pages of the update displaying charts detailing a block-by-block data breakdown of the existing 49 blocks. She also talked about the updated goals, the development objectives identified by staff,

and the anticipated timeline for plan completion. Ms. Crutchfield reviewed the 2020 work items identified at the Boards workshop in September, and staffs plan to continue with updating the current communication materials, scoring criteria, and staff reports.

Member Furness moved to approve the 2019 Renaissance Zone Development Plan and to forward it on to the City Commission. Second by Member Luchau. On call of the roll Members Piepkorn, Luchau, Furness, Peterson, Bresciani, and Mathern voted aye. Absent and not voting: Members Swiontek and Grindberg. The motion was declared carried.

Item 4: Other Business and Public Comments

No other business or public comments were presented.

Item 5: Next Meeting – November 27, 2019

The time at adjournment was 8:28 a.m.

**Renaissance Zone Staff Report for
Epic Gateway North Real Estate Holdings, LLC (295-F)
300 Main Avenue**

Project Evaluation:

The City of Fargo received a Renaissance Zone application from Epic Gateway North Real Estate Holdings, LLC to construct a mixed-use commercial and residential building at 300 Main Avenue. Pursuant to the application, the intent of the project is to transform the former Gateway Mall surface parking lots into a 5-story, 86,932 square foot building with underground parking, 16,711 square feet of ground floor commercial, and over 50 units of apartments.

The construction would begin summer of 2020 and the proposed timeframe of opening in fall of 2021.

The Planning Department has reviewed the application and has provided a project ranking based on the analysis below:

1. **Renaissance Zone Plan Goals:** Use consistent with the RZ Plan (as per Visions and Goals): As noted in the 2019 Renaissance Zone Development Plan. (*information in item 1 are response from applicant*)
 - a. *Grow as a Neighborhood:* Invest in housing to increase the population living Downtown and maintain Downtown's diversity.
Gateway North building will provide a variety of units ranging from one bed to two story two bedroom units (over 50 units). These will be a variety of prices, offering opportunities for different income levels to live in the downtown Fargo area. People bring people so the mixed-use concept will create a sense of walkability and opportunity for additional foot traffic in this area. It increases the living downtown by providing another option for people to live along with grasping all the current audiences and tenants that live and play in the downtown Fargo area now.
 - b. *Prosper as a Business Center:* Increase the number and types of jobs Downtown.
This mixed-use building will have approximately 16,700 sf of commercial space providing opportunities for additional businesses (restaurants, retail, office and work share areas) to be in the downtown area as well as offer employment for people in the area and could have approximately 100+ employees that would be working in the downtown area every day, let alone have the option to live above their workplace.
 - c. *Thrive as a Destination:* Create a unique Downtown experience with an activated riverfront and vibrant sidewalks and public spaces that serve as the backdrop of the community's social life.
Downtown Fargo is currently a destination location with events that take place during the week and weekends attracting all people to the area. This project will enhance the look and feel of the current Main Avenue in a space that has been a parking lot since 1970, creating vibrant sidewalks with easy walkability and activating the riverfront and Island Park where families are well entertained. We want to ensure the landscape, look and feel is similar to what the downtown area has found to be successful with additional business and tenants. The more activity and public spaces we can create, the better we are creating this mixed-use community for all to enjoy.
 - d. *Be a model for Inclusive Growth and Development:* Protect Downtown's diversity and evolve as a model for equitable growth and development.
We have experience with mixed-use buildings, it seems that this has brought a diverse audience and mix of commercial and residential tenants. The tenants like the live, work, play mentality. This model has proved to work creating equitable growth and continuing to support the model that has been working for the downtown Fargo area. With our ability to control rates we will be one of the few new buildings downtown that can be available to all different economic levels. We want to do what's best for the area and continue the development style that creates equitable growth.
 - e. *Complete our Streets:* Make complete streets common place and encourage trips by foot, bicycle, and bus, as well as car.

One of our main goals is providing underground parking to ensure that tenants have a place to park their cars and then get out and walk, bike, or bus. We want them to have the ability and freedom to hardly have to start their car and use public transportation, foot traffic and more to support the downtown businesses. We provide bike racks, sidewalk, and extensions of the sidewalks, customer serve type businesses and more to support this idea. We want to increase the productivity of the area by providing multiple services for our diverse target audience. With this currently being a parking lot, we believe this project will transform this area.

- f. *Park Smart:* Manage parking resources to meet the needs of drivers, while also making room for new development and activity.

We will manage the parking by providing underground parking with hopes to build a parking ramp as an additional phase in the project. The goal would be to take the underutilized space and maximize it the best way we know how and that's to build vertical buildings that provide a better quality of life. We want to keep increasing activity and provide a very active area where young adults, families and seniors feel comfortable coming to spend the day.

- g. *Play with purpose:* Develop a system of connected all-season green spaces designed for people (of a range of ages and interests) and purpose (as infrastructure that absorbs stormwater).

We are working with the City of Fargo and Fargo Housing Authority to ensure we will have adequate green spaces that connect all the spaces together and provide a variety of activities for all ages. We will host activities such as farmers markets, work out classes, game days, family fun nights, and more that continue to drive activity to the area. The mixed-use infrastructure that we will create will be focused on providing the shelter for these green spaces along with protection from the outdoor elements and Mother Nature. The infrastructure is important to enhance the sustainability of the area. Another important part of our green space is embracing the art community and allowing for opportunities of public art to be displayed in these areas.

(20/20 points)

2. **Investment Thresholds:** Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan?

According to the application, the structure accommodates 86,932 square feet, as follows:

- *Proposed Building Total:* approximately 86,932 SF
- *Commercial:* approximately 16,711 SF
- *Residential:* approximately 53,392 SF
- *Parking:* approximately 16,829SF

Overall, the application estimates a total capital investment of \$9,945,806, which calculates to approximately \$114.00 per square foot.

(10/10 points)

3. **High Priority Land Use:** The new construction or proposed improvements are representative of “High Priority Land Uses” as defined by this RZ Plan (page 9).

- a. Primary Sector Business:
N/A

- b. Active Commercial, Specialty Retail or Destination Commercial:
The proposed mixed-use project will have active commercial/retail storefronts in Fargo’s downtown core and increase activity on an underutilized block.

- c. Mixed Use Development:
The proposed uses will include commercial/retail, residential units (multi-dwelling apartments), and underground parking in one building structure.

(18/20 points)

4. **Targeted Areas:** Is the investment located in a “Targeted Area” as defined by this RZ Plan? Consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance.
- a. Parcels that have been vacant or underutilized for an extended period of time:
This site contains a single story strip mall and surface parking lot for many years.
 - b. Parcels specifically targeted for clearance:
The RZ Plan identifies Block 29 for: residential/mixed use building

(10/10 points)

5. **Urban Design:** Is the project representative of strong urban design principles?

The project does embody strong urban design principles. The building will be placed close to Main Avenue and will allow for pedestrians to walk directly into the commercial spaces from the sidewalk. The building consists of a variety of materials as well as projections and recessions which creates architectural interest. The project is located within the DMU, Downtown-Mixed Use, Zoning district and will have to meet the architectural intent of that zoning district as well.

(10/10 points)

6. **Investment Analysis:** Consideration and analysis as to the total actual investment.

As proposed, the redevelopment project and improvement costs significantly exceed both the 50% (true and full value of the building) and \$100 per square foot requirement. As previously noted, the application represents a total estimated investment of \$9,945,806.

(10/10 points)

7. **Business Relocation:** Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community?

The project does not involve the movement or relocation of a business from another North Dakota community.

(10/10 points)

8. **Street Activation:** Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?

Main Avenue was recently reconstructed to be more pedestrian friendly as well as slowing vehicular traffic. This project will help to promote the walkable feel that the reconstruction promotes by includes greenspace along Main Ave and the building varies in materials and projections and recessions. The applicant has also stated that the project will provide a range of activities that will also connect to the green space to the east.

(10/10 points)

Summary:

This application received a score of 98 on a 100-point scale. The applicant met all required criteria and the use is consistent with the RZ Plan. In addition, the proposed new construction project surpasses the local capital improvement requirement of \$40 per square foot for a commercial rehab and \$100 per square foot for new construction.

This project is consistent with the RZ Plan to provide a mixed-use development within a target area that acts as an activity generator by providing for residential units and street-level retail activity.

The amount invested in the project exceeds state and local guidelines. The project does not involve the relocation of commercial businesses from another North Dakota city. The applicant will not be seeking any historic preservation tax credits.

This project will make use of a lot that is currently underutilized. Staff believes that this project will be a benefit to the downtown community and will positively contribute to the health of surrounding businesses.

Suggested motion:

Recommend approval to the Fargo City Commission to approve the application submitted by Epic Gateway North Real Estate Holdings, LLC and to grant the property tax exemption and the State income tax exemptions as allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.

Minimum Criteria (New Construction Proposals)

Criteria:		Staff Rating	Possible Points
1	Use consistent with the plan (as per Vision and Goals)	20	20
2	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	10	10
3	<p>The new construction or proposed improvements are representative of “High Priority Land Uses” as defined in the RZ Plan:</p> <ul style="list-style-type: none"> • Primary sector business • Active Commercial, Specialty Retail and/or Destination Commercial • Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion) • Large, upscale residential units 	18	20
4	<p>The investment is located in a ‘Target Area’ as defined by the RZ Plan:</p> <ul style="list-style-type: none"> • Parcels that have been vacant or underutilized for an extended period of time • Parcels specifically targeted for clearance 	10	10
5	Is the project representative of strong urban design principles?	10	10
6	<p>Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community:</p> <ul style="list-style-type: none"> • Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority • Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority. 	10	10
7	Consideration and analysis as to the total actual investment in the project: Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment)	10	10
8	Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?	10	10
Total Rating (100 possible points)		98	100



MACHINERY ROW AVE N

3 ST N

4 ST N

2 ST N

Subject Property

MAIN AVE

2 ST N

2 ST S

1 AVE S

4 ST S

2 ST S

APPLICATION FOR RENAISSANCE ZONE PROJECT

Property owners, business owners, developers or investors interested in pursuing a Renaissance Zone project should review the *Renaissance Zone Plan*. The Renaissance Zone Plan delineates the current geographical boundaries of the program (only certain blocks within the downtown core are included) and provides additional detail on minimum investment requirements and applicable program goals and objectives that must be met.

Application submitted for (check all that apply):

- ☒ New Construction ☐ Commercial Lease
☐ Purchase with Major Improvements ☐ Rehabilitation: ☐ Commercial ☐ Residential
☐ Primary Residential Purchase ☐ Block Addition

Property Owner Information	Contact Person Information (if different than owner)
Name (printed): EPIC Gateway North Real Estate Holdings, LLC	Name (printed): Brian Kounovsky 701-361-5948
Name (printed):	Address: Same
Address: 745 31st Ave E Ste 105	
West Fargo ND 58078	

Parcel Information
Address: 300 Main Ave Fargo ND 58103
Unit Number:
Renaissance Zone Block Number: 29
Legal Description (attach separate sheet if more space is needed): See attached
Parcel Number: 01-2112-00041-000 current large main lot that will be subdivided

Is this property listed on or a contributing structure to the National Register of Historic Places? ☐ Yes ☒ No
Do you intend to apply for a Historic Preservation Tax Credit in conjunction with this project? ☐ Yes ☒ No

Project Information	
Total Project Cost: (Qualified Capital Improvements) 9,945,806	
Current Use of Property: Parking Lot	
Anticipated Use Upon Completion: Multi Use Building: Commercial on Main Floor and Residential above	
Expected Date of Purchase: 5/15/2020	Expected Date of Occupancy: 09/2021
Estimated Property Tax Benefit: (Over five year exemption period) 145,427	Estimated State Income Tax Benefit: (Over five year exemption period)
Current Employees: (Full-time equivalent) 0	Anticipated Employees: (Full-time equivalent) 44.8

Scope of Work

To build on the existing parking lot at 300 Main ave. known as the Gateway Mall:
A five story mixed use building, consisting of 86,932 Total square feet. Underground Parking consisting of 16,829 square feet. Precast concrete main floor commercial of 16,771 square feet and four floors of residential living with the finishes and attention to detail that EPIC Companies is known for. (See Attached Exhibit)

Additional Project Information

New Construction/Rehabilitation/Purchase with Improvements Only

Current Building Value: (Taxable Improvement Value) \$0	Estimated Building Value Upon Completion: (Taxable Improvement Value) \$9,945,806
Building Area Upon Completion (SF): 84,932sf	Number of Stories Upon Completion: 5


Commercial Lease Only

Lease Area Upon Completion (SF): 16,771			
Type of Business: Restaurant, Office and Retail			
<input type="checkbox"/> New business moving to the Renaissance Zone	<input type="checkbox"/> Expanding Business moving to the Renaissance Zone	<input type="checkbox"/> Existing Business Expanding within the Renaissance Zone	<input type="checkbox"/> Continuation of a lease moving from one Renaissance Zone Project to another Renaissance Zone Project

Residential Purchase Only

Will this be your primary place of Residency?: NO

Acknowledgement – We hereby acknowledge that we have familiarized ourselves with the rules and regulations to the preparation of this submittal and that the forgoing information is true and complete to the best of our knowledge.

Owner (Signature): _____	Date: _____
Joint Owner (Signature): _____	Date: _____
Representative (Signature): <u></u>	Date: <u>4-27-20</u>

CONFIDENTIAL INFORMATION

This application is an open record under NDCC 44-04 and will be available to the public for review. Telephone numbers and e-mail that are provided to the Planning and Development Department for the purpose of communicating with an applicant are exempt from this requirement and are considered to be confidential/non-public information.

This portion of the application must be completed, but it will be kept separate from the rest of the application and the contact information contained herein will not be available to the public for review.

Applicant		
Name:	EPIC Gateway North Real Estate Holdings, LLC	
Daytime Phone Number:	701-361-5948	Email: briank@epiccompaniesnd.com

Contact Person/Representative (If Different than Applicant)		
Name:	Brian Kounovsky	
Daytime Phone Number:	701-361-5948	Email:

Goals of the Fargo Renaissance Zone Plan

Is the proposed use of the project consistent with the RZ Plan? As noted in the Renaissance Zone Development Plan the desired land use will contribute to a number of goals:

1. *Grow as a Neighborhood.* How will this project invest in housing to increase the population living Downtown and maintain Downtown's diversity?

Gateway North building will provide a variety of units ranging from one bed to two-story two bedroom units. (over 50 units) These will be a variety of prices, offering opportunities for different income levels to live in the downtown Fargo area. People bring people so the mixed-use concept will create a sense of walk-ability and opportunity for additional foot traffic in this area. It increases the living downtown by providing another option for people to live along with grasping all the current audiences and tenants that live and play in the downtown Fargo area now. (see exhibit)

2. *Prosper as a Business Center.* How will this project increase the number and type of jobs Downtown (or accessible from Downtown)?

This mixed-use building will have approximately 16,700 SF of commercial space providing opportunities for additional businesses (Restaurants, Retail, Office, and Work Share Areas) to be in the downtown area as well as offer employment for people in the area and could have approximately 100+ employees that would be working in the downtown area everyday, let alone have the option to live above their workplace.

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7. *Play with Purpose.* Will this project develop a system of connected all-season green spaces designed for people (of a range of ages and interests) and purpose (as infrastructure that absorbs stormwater)?

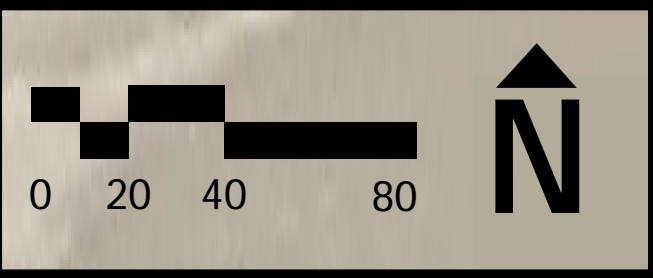
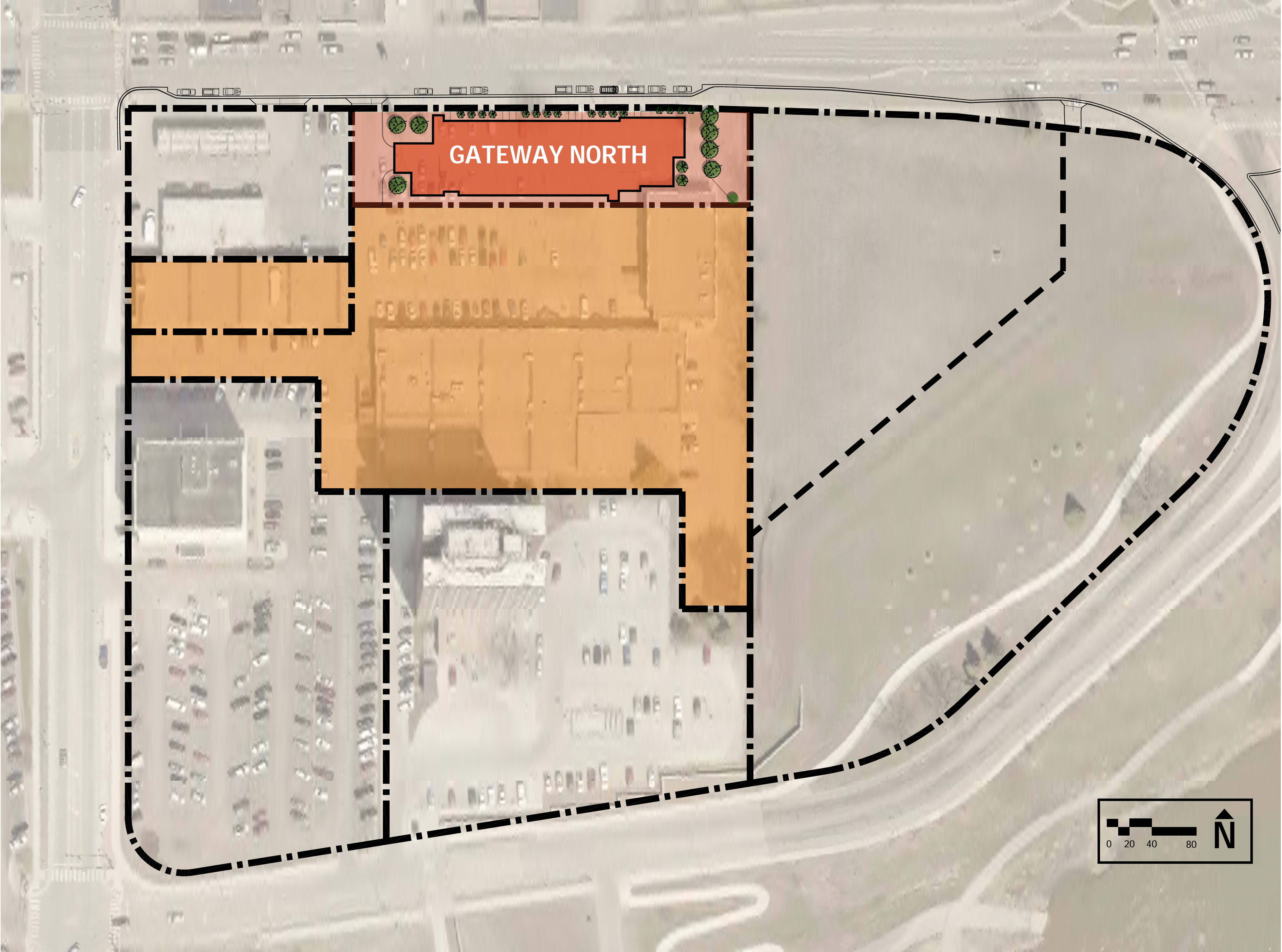
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Lot 1 Block 1 Epic Gateway Addition

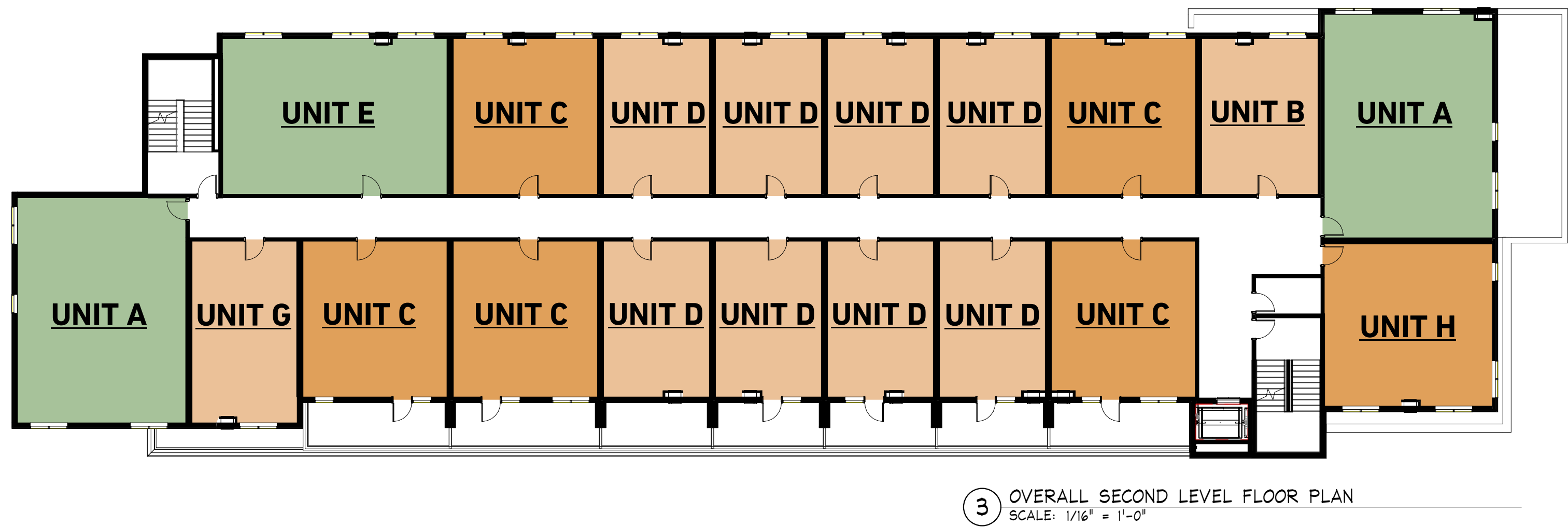
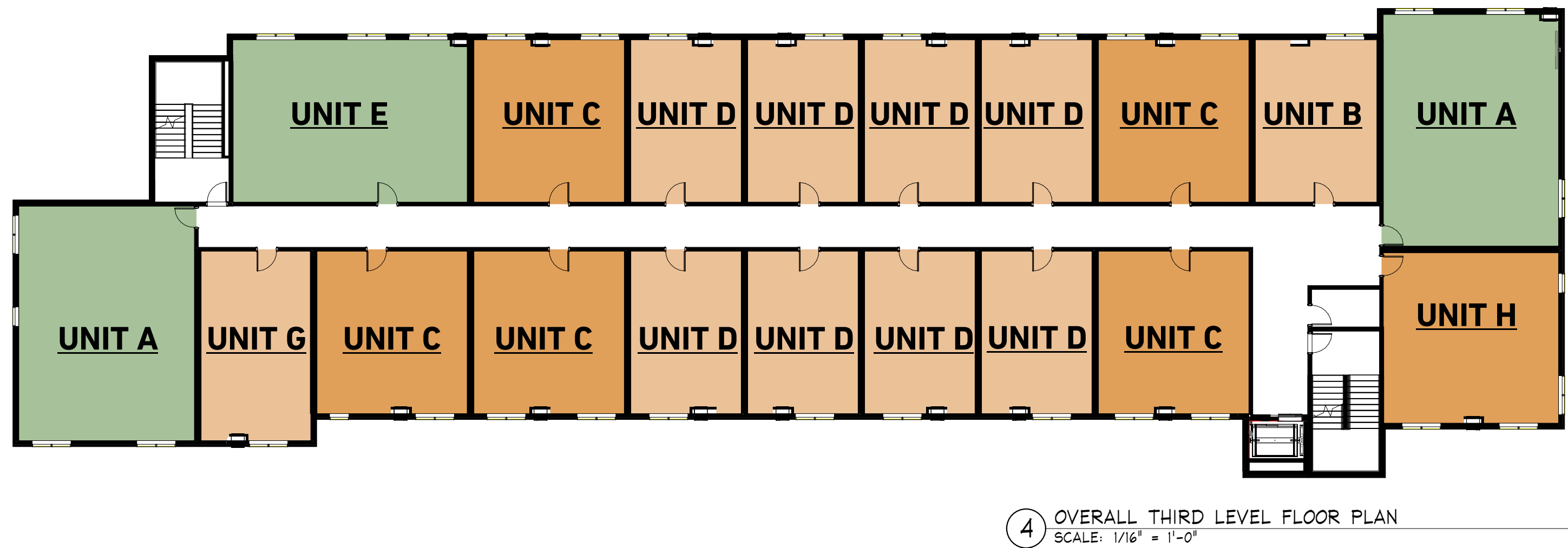
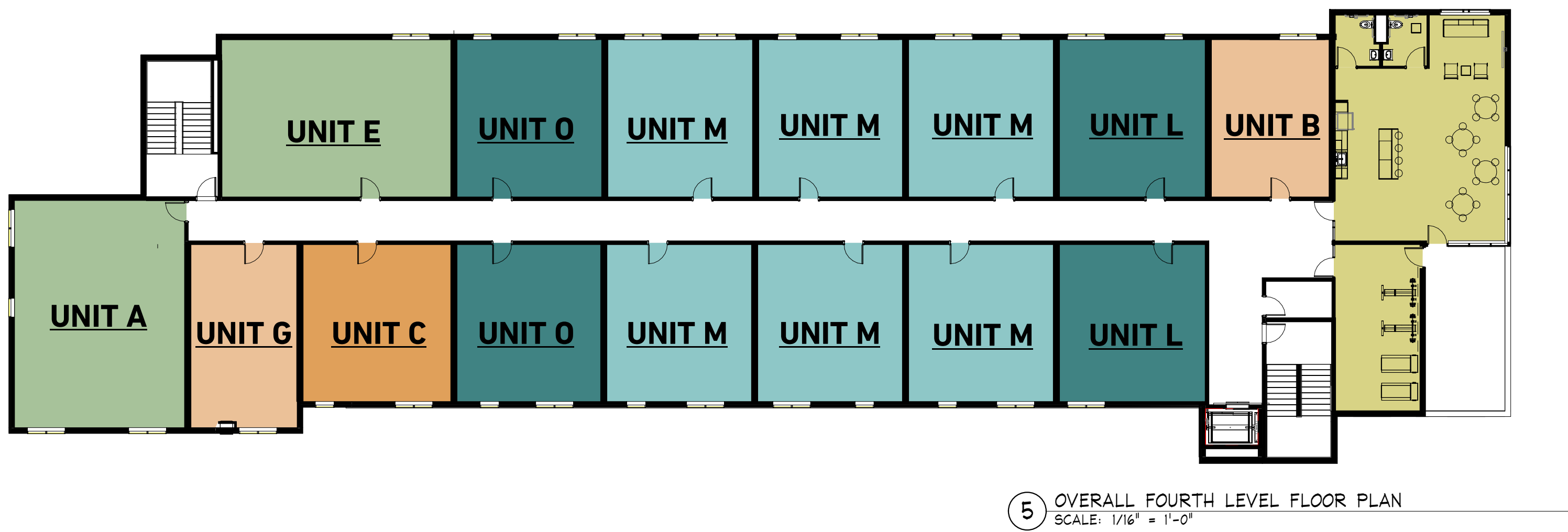
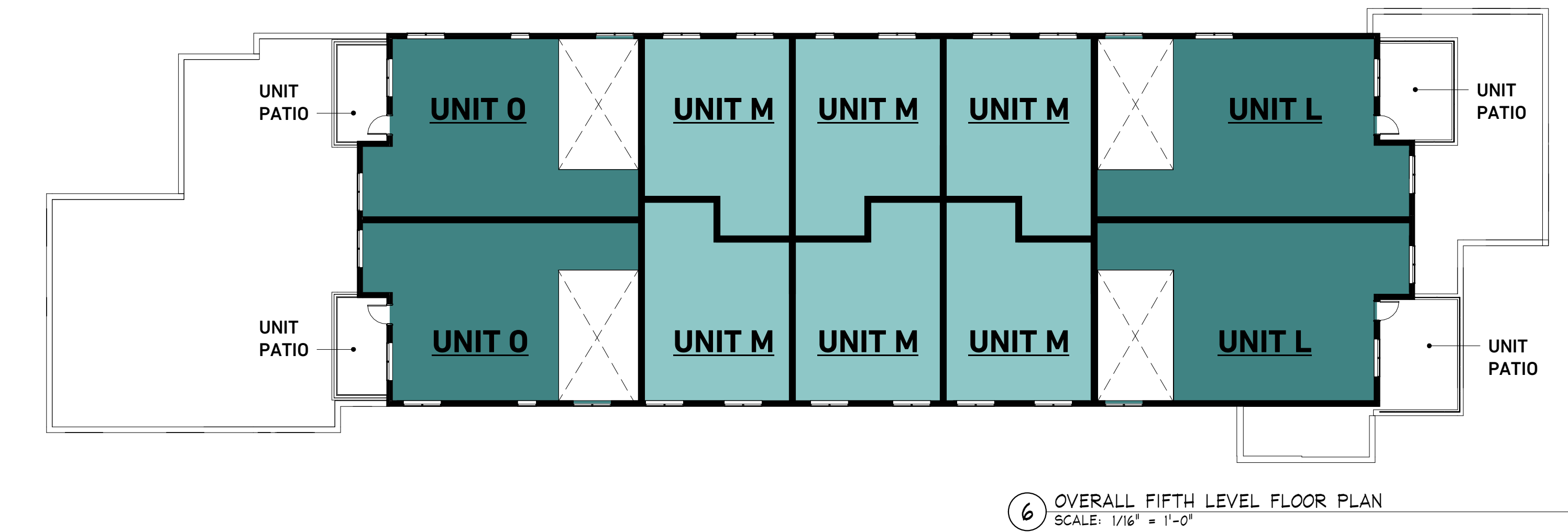
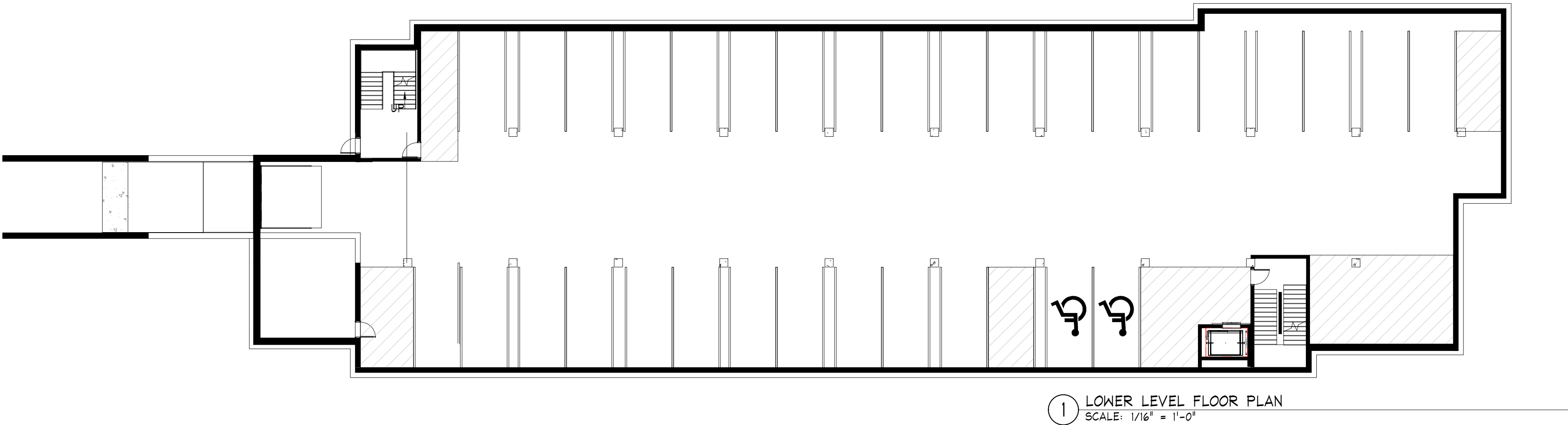
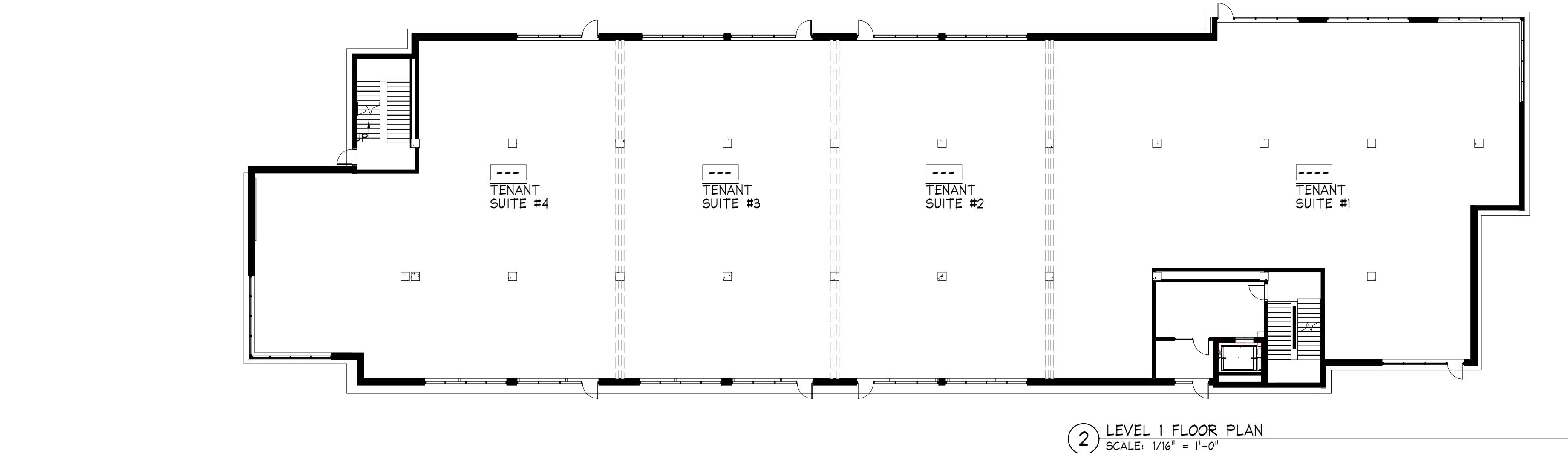
That part of Lot 1, Block 4, NORTH DAKOTA R2 URBAN RENEWAL ADDITION, according to the recorded plat thereof, City of Fargo, Cass County, North Dakota lying northerly of a line described as follows:

Commencing at the northwest corner of said Lot 1 which is common to the northeast corner of Lot 5, Block 4 of said addition; thence on an assumed bearing of South 02 degrees 25 minutes 50 seconds West on the west line of said Lot 1, a distance of 89.73 feet and the point of beginning; thence South 87 degrees 33 minutes 10 seconds East, a distance of 356.72 feet to a point of intersection with the east line of said Lot 1 and said line there terminating.

Said tract contains 31,929 square feet, more or less.







- UNIT TYPES**
- STUDIO
 - 1 BED / 1 BATH
 - 2 BED / 2 BATH / 1 STORY
 - 2 BED / 1.5 BATH / 2 STORY
 - 2 BED / 2.5 BATH / 2 STORY
 - COMMUNITY

KEY	NORTH
NT	
REVISION SCHEDULE	
NUMBER	DESCRIPTION
DATE	