

## **M E M O R A N D U M**

**TO:** Renaissance Zone Authority

**FROM:** Maegin Elshaug, Planning Coordinator  
Kylie Bagley, Planner

**DATE:** August 14, 2019

**RE:** Renaissance Zone Authority Meeting

The next meeting of the Renaissance Zone Authority will be held on Wednesday, August 28 at 8:00 a.m. in the Commission Chambers at Fargo City Hall. If you are not able to attend, please contact staff at 701.241.1474 or [Planning@FargoND.gov](mailto:Planning@FargoND.gov). Thank you.

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### **RENAISSANCE ZONE AUTHORITY Wednesday, August 28, 2019, 8:00 a.m. Commission Chambers AGENDA**

1. Approve Order of Agenda
2. Approve Minutes: Regular Meeting of June 25, 2019 (Attachment 1)
3. Review Application from Brandt Hospitality Group (201 5<sup>th</sup> St N) Rehab (Attachment 2)
4. Discuss Renaissance Zone Plan Update (Attachment 3)
5. Discuss Updates for Renaissance Zone Applications
6. Other Business
7. Next Meeting – September 25, 2019

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](http://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 or TDD at 701.241.8258. 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.FargoND.gov/RenaissanceZoneAuthority](http://www.FargoND.gov/RenaissanceZoneAuthority).

## **RENAISSANCE ZONE AUTHORITY MINUTES**

**Joint Meeting with the Tax Exempt Review Committee: Tuesday, June 25, 2019**

The Joint Meeting of the Renaissance Zone Authority and the Tax Exempt Review Committee of the City of Fargo, North Dakota, was held in the Commission Chambers at City Hall at 1:00 p.m., Tuesday, June 25, 2019.

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

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

Absent: None

The Tax Exempt Review Committee members present were as follows:

Present: Jessica Ebeling, John Cosgriff, Kent Costin, Bruce Grubb, Jim Buus, Commissioner Dave Piepkorn, Mayor Tim Mahoney

Commissioner Piepkorn called the meeting to order and introductions were made.

### **Approve Order of Agenda**

Commissioner Piepkorn reviewed the order of agenda stating discussion will be open for all members present, and each Board will vote on their specific agenda items.

### **Minutes: Previous Regular Meeting**

Tax Exempt Review Committee – January 22, 2019 Meeting

Renaissance Zone Authority – February 27, 2019 Meeting

Chair Mathern presented this item for approval. Member Bresciani moved the minutes of the February 27, 2019 Renaissance Zone Authority meeting be approved. Second by Member Furness. All Members present voted aye and the motion was declared carried.

Director of Strategic Planning and Research Jim Gilmour began the meeting briefly explaining the three incentive programs listed on today's agendas – TIF (Tax Increment Financing), PILOT (Payment in Lieu of Tax), and the Renaissance Zone Program.

Mr. Gilmour continued with his presentation of the following items for discussion, and final action by the Tax Exempt Review Committee:

- **TIF Application by Roers Development**
- **Staff Summary of Three PILOT Applications**
- **PILOT Application by Great Plains Antique Holdings, LLC (Kilbourne)**

*The following item was presented for discussion and action by both the Tax Exempt Review Committee and the Renaissance Zone Authority:*

- **PILOT Application by Great Plains 1001 Holdings, LLC (Kilbourne); and**
- **Review Request from Great Plains 1001 Holdings LLC (New Construction) located at 1001 and 1011 NP Avenue; 28 10th Street North; 1016 1st Avenue North; and 11 11th Street North: APPROVED**

Mr. Gilmour presented the PILOT application for this item, which was approved by the Tax Exempt Review Committee.

Director of Planning and Development Nicole Crutchfield presented the application for action by the Renaissance Zone Authority, noting this site is on Block 37 and is within the 2015 Renaissance Zone Plan. Ms. Crutchfield stated staff is recommending approval as the proposal meets the guidelines and all required approval criteria.

Mr. Allmendinger spoke on behalf of the application.

Discussion began regarding the backside of the proposed building as it relates to the overall design criteria and building access; the projected number of underground parking stalls; clarification of the applicant requests for incentives from both the Renaissance Zone and the PILOT programs; and what entity would monitor/address any traffic concerns in the area that may arise upon completion of the project.

Member Furness moved to recommend to the City Commission approval of the application submitted by Great Plains 1001 Holdings LLC, and to grant the property tax exemption and the State income tax exemptions as allowed by the North Dakota Renaissance Zone law, contingent upon completion of the project and verification of costs. Second by Member Bresciani. On call of the roll Members Piepkorn, Luchau, Furness, Swiontek, Peterson, Grindberg, Bresciani, and Mathern voted aye. The motion was declared carried.

- **PILOT Application by DFI Kesler, LLC (Kilbourne): CONTINUED TO FUTURE TAX EXEMPT REVIEW COMMITTEE MEETING**

*The following items were presented before the Renaissance Zone Authority only for discussion and action.*

- **Review Request from Great Plains Mercantile Holdings LLC, (New Construction) located at 401 Broadway North; and 410 and 412 5th Street North: APPROVED**

Ms. Crutchfield presented this item providing a brief review of the proposal and the two phases of the project. She noted this request is in Block 3 of the Renaissance Zone's 2015 Development Plan. Ms. Crutchfield stated staff is recommending approval as the proposal meets the guidelines and all required approval criteria.

Mr. Allmendinger spoke on behalf of the application providing further details about the project.

Further discussion continued, noting a correction to staff's summary to remove the reference that the applicant is also requesting a PILOT for this project.

Member Bresciani moved to recommend to the City Commission approval of the application submitted by Great Plains Mercantile Holdings LLC, and to grant the property tax exemption and the State income tax exemptions as allowed by the North Dakota Renaissance Zone law, contingent upon completion of the project and verification of costs. Second by Member Swiontek. On call of the roll Members Luchau, Swiontek, Grindberg, Peterson, Piepkorn, Furness, Bresciani, and Mathern voted aye. The motion was declared carried.

- **Review Request from DFI Kesler LLC (New Construction) located at 617 and 621 1st Avenue North, and 624 2nd Avenue North: APPROVED**

Ms. Crutchfield presented this item noting that a portion of this property was previously approved as RZ project 250-F at 624 2nd Avenue North. She clarified this project has been cancelled, and the property is now a part of this larger proposed project being presented today. Ms. Crutchfield stated this project is on Block 10 of the Renaissance Zone, and staff is recommending approval as the proposal meets the guidelines and all required approval criteria.

Mr. Allmendinger spoke on behalf of the application briefly reviewing the proposed project.

Member Furness moved to recommend to the City Commission approval of the application submitted by DFI Kesler LLC, and to grant the property tax exemption and the State income tax exemptions as allowed by the North Dakota Renaissance Zone law, contingent upon completion of the project and verification of costs. Second by Member Luchau. On call of the roll Members Grindberg, Peterson, Piepkorn, Swiontek, Furness, Luchau, Bresciani, and Mathern voted aye. The motion was declared carried.

- **Other Business**

No other business was presented.

- **Renaissance Zone Authority's Next Meeting – July 24, 2019**
- **Tax Exempt Review Committees Next Meeting – July 23, 2019**

The time at adjournment was 2:13 p.m.



**Staff Report  
Renaissance Zone Application for  
201 5<sup>th</sup> Street North (288-F)  
201 Hospitality, LLC**

**Project Evaluation:**

The City of Fargo received a Renaissance Zone application from 201 Hospitality, LLC to rehabilitate the existing hotel at 201 5<sup>th</sup> Street North. Pursuant to the application, the intent of the project is to complete extensive interior renovations. The rehabilitation would be a full renovation of all rooms which includes new carpet, granite, vinyl wall covering, etc. The fitness room will be expanded and the public space will have a light remodel as well. The construction would begin in the fall of 2019.

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

**Lines 1:** Use consistent with the RZ Plan (as per Visions and Goals): As noted in the 2015 Renaissance Zone Development Plan the desired land use on Block 56 is identified as *Redevelopment and Infill; mixed-use and commercial*. As proposed, the project will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:

1. *Activity Generator [goal]:* Develop activity generating enterprises along Renaissance Zone's major commercial corridors: 2<sup>nd</sup> Avenue North and 5<sup>th</sup> Street North

**This project will enhance the image of downtown Fargo by creating the first upper-upscale hotel in the FM area. This improved product will draw more guests downtown and these guests will have the means for significant spend in the shops and restaurants throughout downtown.**

2. *Walkable Districts [goal]:* Create "walkable districts" that integrate a wide range of activities and land uses; thus encouraging on-street activity...

**Although not creating a walkable district, this project will greatly enhance the hotel which sits along 2nd Ave North, which has been contemplated as a pedestrian-focused corridor, that will expand downtown well beyond the current, narrower view of downtown, as simply North Broadway.**

3. *Ground Floor Uses [goal]:* Reserve ground floor land uses to those that will encourage streets to come to life – shops, offices, cafes, restaurants and other "public" facilities.

**The 2018 addition of Beans Coffee on the ground floor corner of 2nd Ave and 5th St will encourage additional street traffic and improvements made on the 2nd floor restaurant and lounge will pull additional foot traffic into the building where guests can view Broadway and 2nd Ave.**

4. *Neighborhood Center [goal]:* Make "Broadway" Fargo's "Main Street" – a pedestrian-friendly, mixed-use magnet that anchors downtown neighborhoods.

**These improvements will help enhance and widen downtown Fargo's footprint with Broadway carrying business north/south and 2nd Ave's carrying business east/west.**

5. *Urban Design [goal]:* Projects will embody strong urban design principles inclusive of building massing and form, building materials, pedestrian orientated design, streetscape, building orientation and recognition

of the importance of defined block corners, architectural style, high building coverage percentages, limited setbacks or downtown district appropriate setbacks, design longevity and street level transparency.

**We will take this iconic high rise building in downtown Fargo and give it the look and feel of the Radisson Blu. Radisson Blu is typically found in European cities like Copenhagen, Paris and London. In the United States, Radisson Blu is currently found in Minneapolis and Chicago. We will be adding Fargo to an impressive list of Blu destinations.**

6. *Transportation [goal]:* Manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial developments and will make the entire area more user-friendly.

**We are working with the city to reduce our employee parking in the Civic Center ramp and open more parking to the guests of downtown Fargo. This move does not hinge on the renovation but is currently in process.**

7. *Safe Streets – Safe Neighborhoods [goal]:* Encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets.

**The conversion to Radisson Blu will include better security systems for our guests as well as increased staffing to better serve the and monitor our public spaces.**

8. *High Quality Housing [goal]:* Continue to encourage the production of unique high quality housing that is developed in areas targeted for residential development or as a component of a mixed-use project.

**N/A**

9. *Infill [goal]:* Encourage and actively pursue projects that increase the productivity of underutilized property such as surface parking lots, vacant land and parcels with low building to land value ratios. Infill projects shall conform and be consistent with urban design principles as set forth in Goal 5, above..

**N/A**

10. *Housing Amenities [goal]:* Integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones.

**N/A**

11. *Downtown Entryways [goal]:* Enhance auto entry experiences with landscaping improvements to all major corridors (Broadway, Roberts St, 1st/NP Avenue, Main Avenue) and gateway statements at Broadway/Main Avenue, Broadway/6th Ave N, 1st Avenue/Red River, Main Avenue/Red River and Main Ave/10th Street N.

**N/A**

12. *The Place to Be [goal]:* Make downtown the entertainment/cultural/recreational center of the city... Make downtown a key destination for visitors/conventioners and a key destination for residents.

**Fargo having a Radisson Blu will enhance the service and feel of downtown. This property will offer premium lodging to business and leisure guests as well as elevate the reputation of downtown Fargo.**

13. *A Place Like No Other [goal]:* Highlight the unique historic character of the Renaissance Zone by placing a high value on historic preservation and overall awareness of the history of the area.

**N/A**

14. *24 Hours a day – 7 Days per Week – 365 Days a Year [goal]:* Design spaces, facilities and features that will attract people to the area both day and night, on weekdays and weekends, and during all seasons of the year.

**Our hotel will be open 24/7/365 with expanded food and beverage hours to serve both our guests and the downtown community.**

15. *Connections and Coordination [goal]: ... Strong connections between people, places and things to do are vital to creating a strong sense of community.*

**The design of our renovation focuses on a Scandinavian look and feel that is typical of the historical roots of our community. The idea is to help connect the guests of our community to the spirit of our community.**

(10/10 points)

**Line 2:** Will exterior rehabilitation or the proposed improvements be sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building? Does the project scope address the interior and exterior of the building in a comprehensive manner?:

**Proposed improvements will include: renovating all rooms which includes new carpet, granite, vinyl wall covering, etc. The fitness room will be expanded and the public space will have a light remodel as well.**

(10/ 10 points)

**Line 3:** Does the investment comply with the minimum State standard that requires an investment of no less than 50% of the current true and full valuation of the building?:

**The property is currently assessed at \$11,538,000. The applicant has proposed a total rehabilitation investment of \$6,000,000 which exceeds the required 50% investment guideline. These improvements will result in \$45 per SF (RZ minimum is \$40 per SF) being invested into the existing space.**

(10 / 10 points)

**Line 4:** Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?:

**Pursuant to City of Fargo Renaissance Zone standards, in order to qualify for consideration, a project must meet a minimum \$40 per square foot capital improvement threshold for commercial rehabilitation and \$100 per square foot for any new construction.**

**According to the application the structure accommodates 131,497 square feet.**

**Overall, the application estimates a total capital investment of \$6,000,000 which calculates to approximately \$45 per square foot.**

(10 / 10 points)

**Line 5: Sub-Total:** The sub-total of lines 1–4 equals 40 points.

~~Line 6: Use consistent with the RZ Plan (as per Visions and Goals)?:~~

~~Line 7: Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?~~

~~Line 8: Tenant must be leasing space in a building that has been approved as a Zone project: NA~~

**Line 9:** The new construction or proposed improvements are representative of “High Priority Land Uses” as defined in the RZ Plan: These criteria are defined by four sub-categories, as follows:

**Primary Sector Business:** N/A

**Active Commercial, Specialty Retail or Destination Commercial:** Yes, the building has commercial floors as well as a coffee shop, restaurant, as well as sleeping rooms.

**Mixed Use Development:** Yes, the building has commercial floors as well as a coffee shop, restaurant, as well as sleeping rooms.

**Large, upscale residential units:** N/A

(5 / 10 points)

**Line 10:** The investment is located in a 'Target Area' as defined by the RZ Plan:

- 1) Parcels that have been vacant or underutilized for an extended period of time:

**No**

(2/5 points)

- 2) Parcels specifically targeted for clearance:

**No**

(3/5 points)

(5 / 10 points)

**Line 11:** The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation:

**Yes, a coffee shop was added in the first floor and there is access to parking as well as the skyway.**

(8/ 10 points)

**Line 12:** Consideration and analysis as to the total actual investment in the project:

**As proposed, the rehabilitation project and improvement costs exceed both the 50% (true and full value of the building) and \$40 per square foot requirement. As previously noted, the application represents a total estimated investment of \$6,000,000.**

(10 / 10 points)

**Line 13:** 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)

**Line 14:** Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?

**This property is located outside the boundary of the Downtown Historic District.**

(10 / 10 points)

**Summary:**

**This application received a score of 88 on a 100-point scale. The applicant met all required criteria and the use is consistent with the RZ Plan. In addition, the proposed rehabilitation 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 as activity generators and walkable districts are important initiatives highlighted in the plan. The proposal will increase activity in the NP Avenue corridor.**



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 is not seeking historic preservation tax credits. The applicant will pursue a Storefront Grant to aid in the rehabilitation effort.

This project will make use of a structure 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:**

Approve the application submitted by 201 Hospitality, 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 (Proposals involving the purchase of income-generating property)			
		Possible Points	Staff Rating
1*	Use consistent with the plan (as per Vision and Goals)	10	10
2*	Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building	10	10
3*	Re-investment that totals no less than 50 percent of the current true and full valuation of the building	10	10
4	The investment totals at least \$40 in capital improvements per square foot for commercial properties or \$25 in capital improvements per square foot for residential properties (The authority may waive the square foot investment requirement for certain projects)	10	10
5	<b>Sub Total</b>	<b>40</b>	<b>40</b>
Minimum Criteria (Proposals involving new construction or additions)			
6	Use consistent with the plan (as per Vision and Goals)	12	NA
7	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	10	NA
8	Tenant must be leasing space in a building that has been approved as a Zone project	NA	NA
Project Review Guidelines (Rate 1-10)			
9	The new construction or proposed improvements are representative of "High Priority Land Uses" as defined in the RZ Plan: <ul style="list-style-type: none"> <li>Primary sector business</li> <li>Active Commercial, Specialty Retail and/or Destination Commercial</li> <li>Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)</li> <li>Large, upscale residential units</li> </ul>	10	5
10	The investment is located in a "Target Area" as defined by the RZ Plan: <ul style="list-style-type: none"> <li>Parcels that have been vacant or underutilized for an extended period of time</li> <li>Parcels specifically targeted for clearance</li> </ul>	10	5
11	The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation: <ul style="list-style-type: none"> <li>Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration</li> <li>Demonstrated commitment to strengthening pedestrian corridors and issues of "connection"</li> <li>Attention to streetscape amenities</li> <li>Contribution to street activity</li> </ul>	10	8
12	Consideration and analysis as to the total actual investment in the project: <ul style="list-style-type: none"> <li>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)</li> </ul>	10	10
13	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>	10	10
14	Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective? <ul style="list-style-type: none"> <li>Although not included in the Project Review Guidelines, historic preservation is considered an important component of downtown projects even when Historic Preservation and Renovation Tax Credits are not being requested.</li> </ul>	10	10
15	<b>Sub Total</b>	<b>60</b>	<b>48</b>
	<b>Total Rating (100 possible points)</b>	<b>100</b>	<b>88</b>



3 AVE N

5 ST N

4 ST N

2 AVE N

1 AVE N

## **MEMORANDUM**

**TO:** Renaissance Zone Authority

**FROM:** Nicole Crutchfield, Planning Director

**DATE:** August 21, 2019

**RE:** Renaissance Zone Plan Update

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The Planning Department staff are completing the initial phases of the Renaissance Zone (RZ) plan update. This first step is to conduct an initial review of existing RZ boundaries and determine a status of the existing blocks that are currently located within the program. At this point staff is analyzing whether or not they are eligible to be determined “complete” or to be removed. We are also reviewing the existing context of the block to determine if the block has fully capitalized on the program (i.e. are there undeveloped tracts, surface parking lots, or do we know of a project in progress). Staff will present the initial analysis for your consideration at the meeting next week. We will also present an outline for the next steps of the planning process and development of the plan itself.

For the remaining steps in preparing the plan, staff suggests the following timeline:

- End of August– City to send mass mailing to property owners inquiring about potential projects
- End of September 19th – Host open house/public meeting
- September 24<sup>th</sup>- Tax Exempt Review Committee meets (need to inform Ben September 17 if we want to tax plan to their meeting)
- September 25<sup>th</sup> – Possibly tour and meet with the RZA to confirm questionable blocks
- October 15<sup>th</sup> – November 1st – Confirm final draft of plan with public, RZA, and City Commission. Confirm public comments period.
- November 2019 – Present plan to School Board and County Commission
- November 18<sup>th</sup>, 2019 – Plan approved by City Commission
- December 2019 – MOU signed by city and state