

PROPERTY TAX INCENTIVE APPLICATION FOR  
BELL BANK DOWNTOWN REDEVELOPMENT  
(Tim Solberg)

SUGGESTED MOTION:

Move to participate in the request for a Tax Increment Finance (TIF) District in the City of West Fargo submitted by Bell Bank Downtown Redevelopment to cover the privately installed public improvement costs (public parking) for up to a fifteen-year period.

OR

Move to **NOT** participate in the request for a Tax Increment Finance (TIF) District in the City of West Fargo submitted by Bell Bank Downtown Redevelopment to cover the privately installed public improvement costs (public parking) for up to a fifteen-year period.

APR 1 2020



March 31, 2020

- Certified Mail -

7019 1120 0001 4197 5219

Chad Peterson, Chairman  
Cass County Commission  
PO Box 2806  
211 9<sup>th</sup> Street S  
Fargo, ND 58108

Chairman Peterson,

Pursuant to North Dakota Century Code 40-05-24 the City of West Fargo is notifying the Cass County Board of Commissioners of the consideration to establish a Tax Increment Financing (TIF) District. The proposal involves Lots 15-20 and a partial vacation of the alley of Block 26 of Sukuts 3<sup>rd</sup> Addition also known as 409 Sheyenne St, West Fargo ND.

The scope of the project includes the public installation of improvements involving the demolition of the existing Bell Bank structure to build a new mixed-use structure in place of the older building. The replacement building will be consistent with the recent development in the area and will include underground parking, one floor of retail space, an above-ground parking garage, and four floors of residential living spaces. The project will allow space for additional businesses and living which will help create density in the downtown area.

The TIF is proposed to be established to provide for tax increment exemptions to properties for the incremental increases in values to the affected properties for up to fifteen (15) years to cover the privately installed public improvement costs. An agreement between the City and Developer will be considered at the public hearing which defines the project scope. Further information on the project has been attached to this letter including the schedule proposed for the TIF District.

Please see the attached public hearing announcement and map for further details concerning this matter. If you have any additional questions, please contact me at 701-433-5301.

Sincerely,

A handwritten signature in blue ink that reads "Tina Fisk". The signature is fluid and cursive, with the first name "Tina" and last name "Fisk" clearly legible.

Tina Fisk  
City Administrator

CITY OF WEST FARGO PLANNING & COMMUNITY DEVELOPMENT

DEVELOPMENT PLAN

BELL BANK DOWNTOWN REDEVELOPMENT		TAX INCREMENT FINANCE DISTRICT
409 Sheyenne St		
Lots 15-20 and Partial Vacation of Alley at Sukut's 3 <sup>rd</sup> Subdivision, City of West Fargo, North Dakota		
Applicant: EPIC Companies	Staff Contact: Planning; Finance; City	
Owner: State Bank of West Fargo	Administrator	
Economic Development Advisory Committee:	02-05-2020	
West Fargo Public School District:		
Cass County Board of Commissioners:		
Public Hearing:		
City Commission:		

**PURPOSE:**

The applicant is proposing an infill project which would involve the demolition of the existing Bell Bank structure to build a new mixed-use structure in its place. The new building will include underground parking, one floor of retail space, three floors of parking, and two floors of residential apartments and two floors of residential condominiums. The taxable value of both the property and the building is projected to increase by about \$885,305. The true and full value of the property is projected to increase by about \$17,706,100.

**STATEMENTS OF FACT:**

Land Use Classification:	G-4A: Core-Retrofit Growth Sector
Existing Land Use:	Light Commercial (Bank)
Existing Improvements:	Approximate 9,500 ft <sup>2</sup> owner occupied bank with approximately 31 improved surface parking spaces.
Identified Blight or Slum:	No
Relocation Requirements:	None
Current Zoning District(s):	DMU: Downtown Mixed Use
Zoning Overlay District(s):	None
Total area size:	45,000 ft <sup>2</sup>
Adjacent Zoning Districts:	North and West: DMU: Downtown Mixed Use District South and East: R-3: Multiple Family Dwelling District
Adjacent street(s):	4 <sup>th</sup> Ave W (Local); 5 <sup>th</sup> Ave W (Local); Sheyenne Street (Arterial)
Adjacent Bike/Pedestrian Facilities:	Sidewalks on all adjacent roadways
Available Parks/Trail Facilities:	POW/MIA Plaza is located across the street

**DISCUSSION AND OBSERVATIONS:**

- The proposal will provide the City with a total of 321 public parking spaces in a parking garage to be housed on floors 2-4. The applicant is also proposing an additional 48 spaces below ground for their residential tenants which would not be tied to the parking garage. The applicant would propose to reserve floor 2 for tenants of the retail floor between the hours of 8am-5pm Monday-Friday, open to the public all other hours. Floors 3 and 4 would be open to the public at all times.



DEVELOPMENT PLAN

- The project will hold approximately 24,394 ft<sup>2</sup> of leasable ground floor office/retail space.
- The project will include 52 2-story residential apartments and 21 residential condominiums on floors 5-8.
- Under the City's off-street parking and loading regulations staff has determined a maximum requirement of 166 spaces for the development, whereas the current proposal would provide for 369 spaces leaving for a minimum of 203 parking spaces available to the public through this project. Floors 3 and 4 which are intended to be open to the public 24/7 contain a total of 213 spaces. Using more aggressive models for parking demand as well as shared parking between users it is very likely that there will be more parking available to the public during most periods of the day.

**PROJECT ELIGIBILITY FOR DEVELOPMENT:**

The project is located in a parcel that is zoned DMU: Downtown Mixed Use and is an urban renewal area in the City's General Plan for Urban Renewal and Urban Development. The project would advance the City's economic development goals by providing immediate economic growth and development and is consistent within the existing zoning district. Many of the objectives as described in the General Plan for Urban Renewal and Urban Development would be achieved through the project's implementation.

1. To Strengthen the economic well-being of the development and renewal areas and the City by Increasing industrial and retail activity, taxable values, and job opportunities.
2. Provide for parcels of sufficient size to permit and attract economic and sound new development.
3. To provide efficient use of underutilized land.
4. To assure development of high standards in site planning, use compatibility, buildings, and creation of an environment that will promote new development in areas.
5. To attract and retain businesses that pay favorable wages to the benefit of our citizens and to prevent overburdening to public and social service agencies
6. To attract and retain businesses that do not damage the physical environment for this is a social and economic burden to all.
7. To address the development imbalance between residential and nonresidential uses that exists in West Fargo by expanding and diversifying the tax base.
8. To spend public economic development dollars and resources wisely.
9. To provide for adequate public infrastructure improvements such as sewer, water, storm sewer, pedestrian facilities and streets conforming to good design and coordinated to facilitate development or redevelopment.
10. To provide for safe, efficient and attractive vehicular access to and circulation within the renewal and development areas.
11. To promote development or redevelopment which will be consistent with the City's Comprehensive Plan and ordinances.

DEVELOPMENT PLAN

**CONSISTENCY WITH COMPREHENSIVE PLAN AND OTHER APPLICABLE CITY PLANS AND ORDINANCES:**

- Within the City’s Comprehensive Plan, West Fargo 2.0, within the Big Ideas section of the plan to Establish Downtown as a Cultural Center for West Fargo are the following recommendations which align with the proposed project:
  - Grow Business and Bring in New Investment:
    - The proposed project will increase existing retail space from 9,500 ft<sup>2</sup> to 24,394 ft<sup>2</sup> on this parcel.
    - The proposed project will provide for a minimum of an additional 203 parking space available to all visitors and businesses to downtown thereby increasing the development potential of all properties downtown.
  - Recruit Downtown Mixed-Use Residential.
  - Attract Millennials and Active Empty Nesters to Downtown:
    - Providing additional options for rental housing as well as residential condominiums enhances the choices available for housing downtown.

**FORMS OF ASSISTANCE:**

Public assistance for this project will be proposed to consist of a Tax Increment Financing district. Other forms of assistance are still under evaluation.

**Breakdown of Public Participation:**

The public participation is proposed to purchase two (2) floors of the parking ramp for 24/7 free public parking. This will be approximately 200 spots that will allow current and future development in downtown West Fargo to have adequate parking. The proposed maximum length of the TIF is requested to be 15 years for one parcel pending approvals from all boards and commissions.

See attached table for further breakdown of financial model.

**RECOMMENDATIONS:**

The proposed project will not cause any displacement of families. The proposed development plan conforms to the city’s General Plan for Urban Renewal and Urban Development as well as the West Fargo Comprehensive Plan. Additionally, the proposed project would assist in the continued development of the downtown area while increasing both residential density as well as expanding the commercial tax base. It is recommended that the City approve the proposed application on the basis that it is consistent with City plans and ordinances with recommended conditions of approval as follows:

- Recommendation to the Planning Department to amend 4-450: Off Street Parking and Loading Regulations for the Downtown Mixed Use District to reflect the presence of a public parking garage with excess capacity by exploring no minimum parking requirements and maximum allowable parking to increase taxable valuations on redevelopment in Downtown.

**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE RECOMMENDATION:**

At their February 5, 2020 meeting, the Economic Development Advisory Committee met and is recommending approval of the application, subject to the recommended condition listed above.

If approved, the City is required per NDCC 40-05-24 to send a letter by certified mail to the President of the School District and Chairman of the Board of County Commissioners. Within 30 days from receipt of the letter, the School District and County must notify the City in writing whether they elect to participate in granting the tax incentive related to their portion of the tax levied on the property.

City staff intends to engage the West Fargo School District and Cass County to convene a meeting of staff and two board members from each entity to discuss the details of the proposed TIF project. Staff will also plan to attend each respective meeting to answer any additional question or address any concerns relayed by the City Commission.



City of West Fargo

3/23/2020

TIF Calculation - 2020-1 Bell Down Town Tower

Entity:	Mills: (2019)	Existing Value:	Taxes Collected:	New Value:	New Taxes Collected:	Additional Value dedicated to TIF :
City	77.98	\$1,263,900	\$4,927.95	\$18,506,542	\$72,157.01	\$67,229.06
School	137.25	\$1,263,900	\$8,673.51	\$18,506,542	\$127,001.14	\$118,327.63
Park	27.06	\$1,263,900	\$1,710.06	\$18,506,542	\$25,039.35	\$23,329.29
County	52.31	\$1,263,900	\$3,305.73	\$18,506,542	\$48,403.86	\$45,098.13
State	1.00	\$1,263,900	\$63.20	\$18,506,542	\$925.33	\$862.13
Garrison	0.38	\$1,263,900	\$24.01	\$18,506,542	\$351.62	\$327.61
Water	4.11	\$1,263,900	\$259.73	\$18,506,542	\$3,803.09	\$3,543.36
<b>Total:</b>	<b>300.09</b>	<b>\$1,263,900</b>	<b>\$18,964.19</b>	<b>\$18,506,542</b>	<b>\$249,913.27</b>	<b>\$230,949.08</b>
Less City 3% Fee					3.00% \$	(6,928.47)
Less County 5% Discount					5.00% \$	(11,547.45)
<b>Net Available for TIF Project</b>						<b>\$212,473.16</b>

Project Support Max	Rate	4.00%	\$2,362,359
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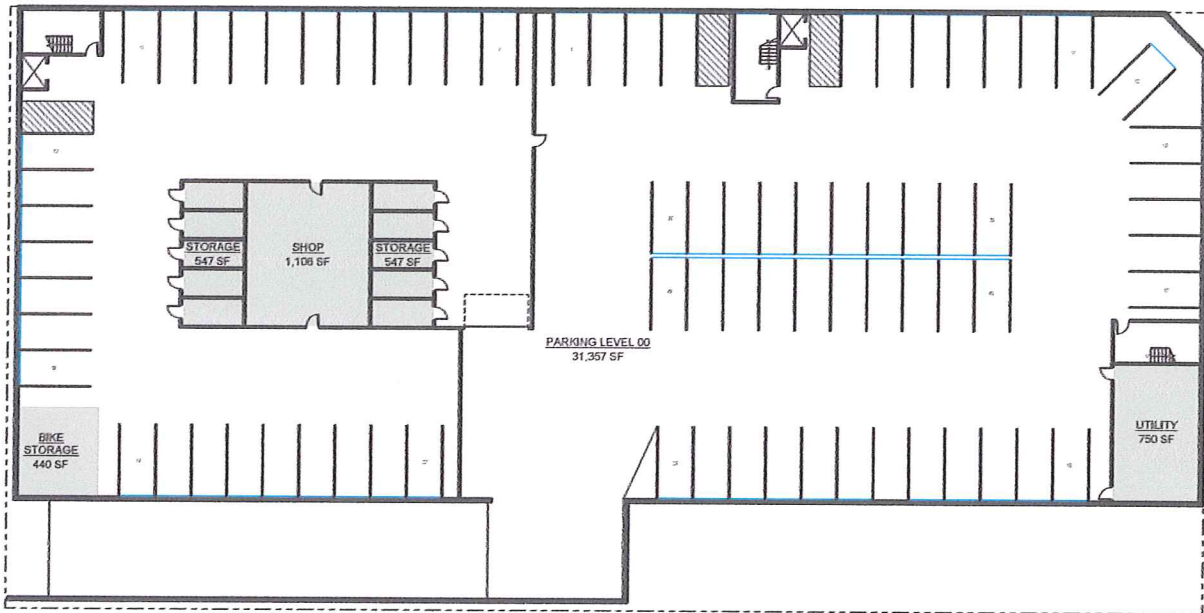
Name	PIN	Land	Building	Total	
Bell Bank parcel	02-2300-01110-000	\$ 135,000.00	\$ 1,128,900.00	\$ 1,263,900	Valuation from City Property info for 2019 as of 1/8/2020
<b>Total all parcels</b>				<b>\$ 1,263,900</b>	

TIF Financing Terms	
Term	15
Rate	4.00%
Bond Payment per Year	\$212,473.17

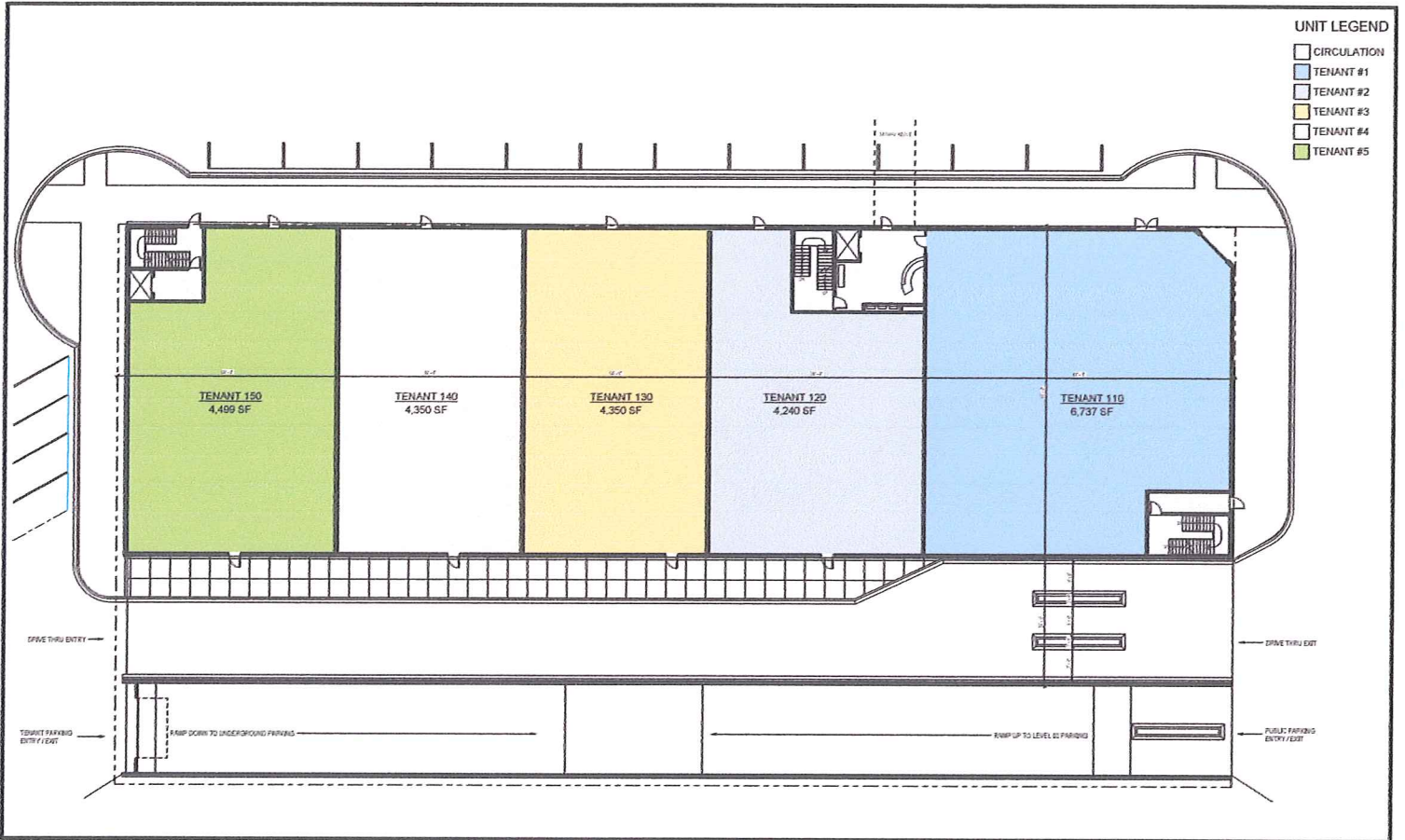
Project Cost Schedule	Item	Description	Public Improvements, non-taxable			Taxable Improvements	
			Developer Paid	Paid by City	Paid by TIF funds	Developer Paid	
	Use by residential apts and condo's	Basement				\$ 1,931,640	Per Todd B on 2/4/2020
	Commerical - two units - Bell and leasable	Floor 1				\$ 2,592,600	Per Todd B on 2/4/2020
	Public Parking Ramp-100 spots	Floor 2	\$ 2,448,000				Per Todd B on 2/4/2020
	Public Parking Ramp-100 spots	Floor 3		\$ 2,533,641			Per Todd B on 2/4/2020
	Public Parking Ramp-100 spots	Floor 4			\$ 2,362,359		Per Todd B on 2/4/2020
	Floor #1 of two story apartments	Floor 5				\$ 2,411,331	Per Todd B on 2/4/2020
	Floor #2 of two story apartments-26	Floor 6				\$ 2,411,331	Per Todd B on 2/4/2020
	Floor #1 of condos - 11	Floor 7				\$ 4,579,820	Per Todd B on 2/4/2020
	Floor #2 of condos - 11	Floor 8				\$ 4,579,820	Per Todd B on 2/4/2020
<b>Totals</b>			<b>\$ 2,448,000</b>	<b>\$ 2,533,641</b>	<b>\$ 2,362,359</b>	<b>\$ 18,506,542</b>	

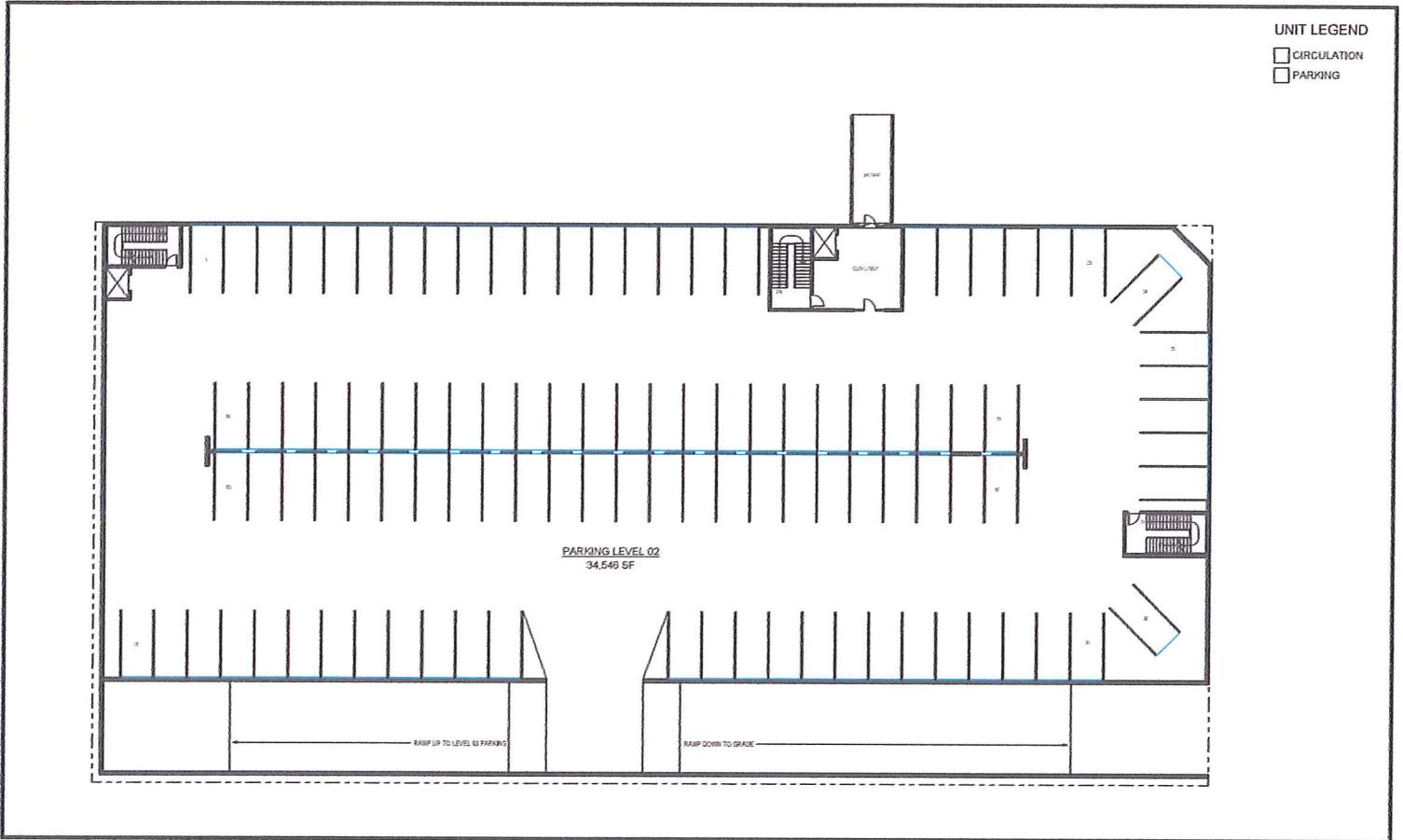
Source of funds for Public Improvements	
Developer Contribution	\$ 2,448,000
Direct City Contribution	\$ 2,533,641
TIF District Contribution	\$ 2,362,359
	<b>\$ 7,344,000</b>

- UNIT LEGEND**
- CIRCULATION
  - PARKING
  - SUPPORT SPACE









UNIT LEGEND

- CIRCULATION
- PARKING

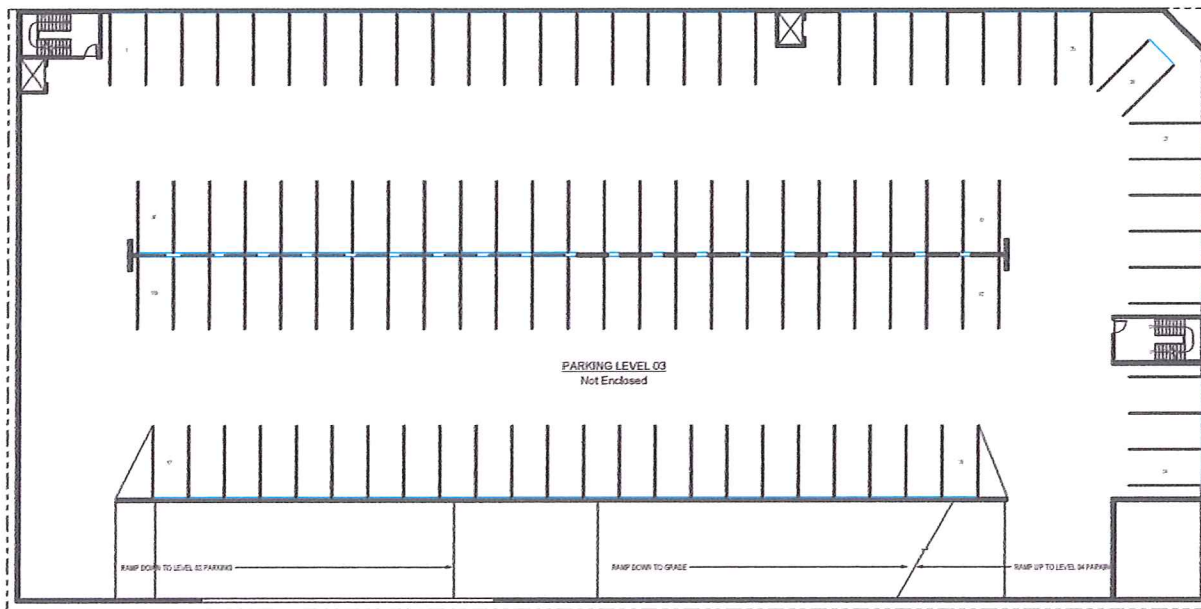
PARKING LEVEL 02  
34,546 SF

RAMP UP TO LEVEL 03 PARKING

RAMP DOWN TO GRADE

UNIT LEGEND

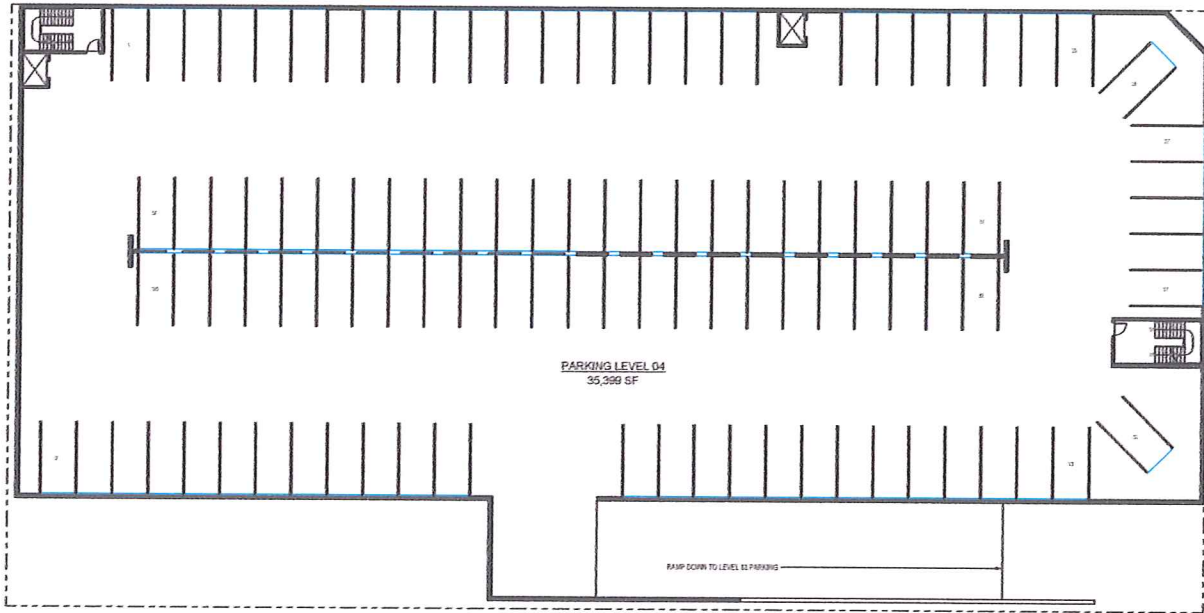
- CIRCULATION
- PARKING





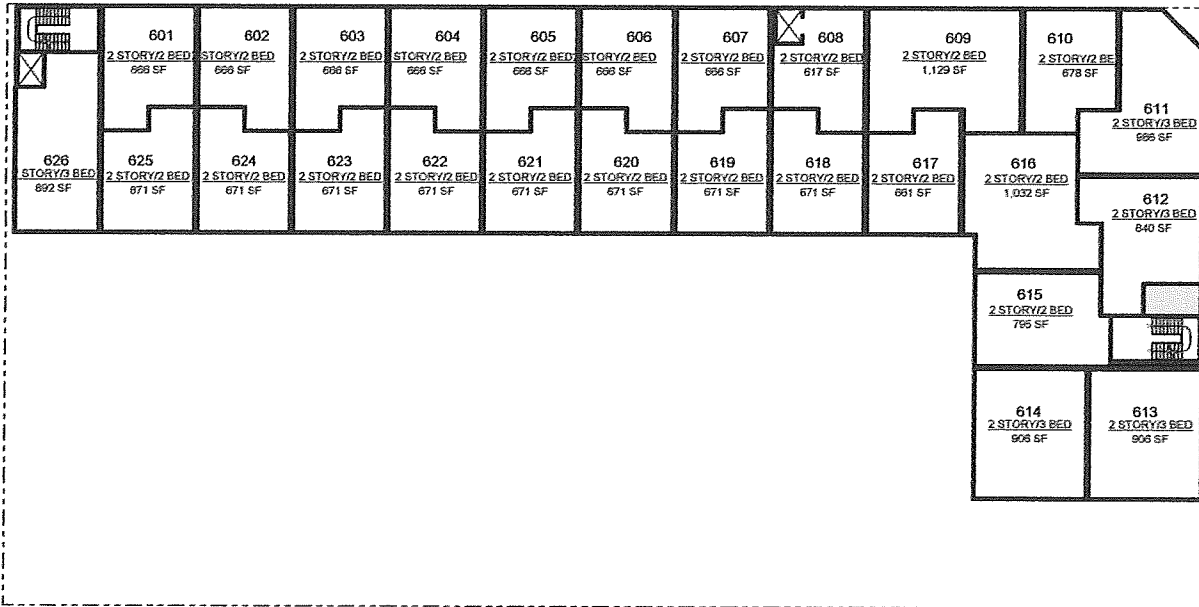
UNIT LEGEND

- CIRCULATION
- PARKING

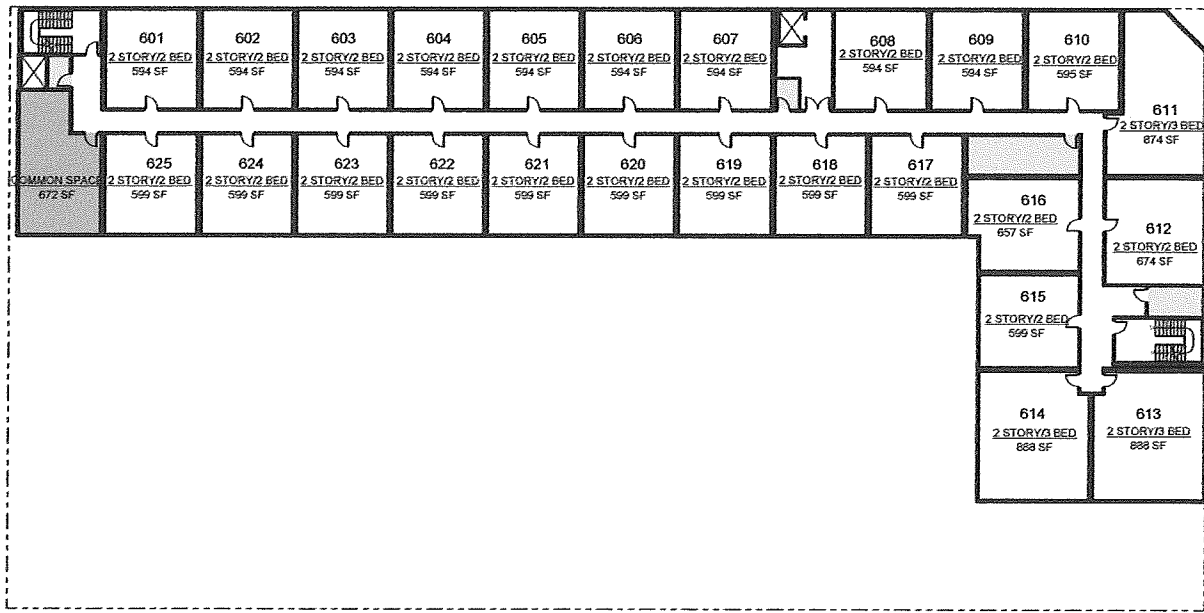


UNIT LEGEND

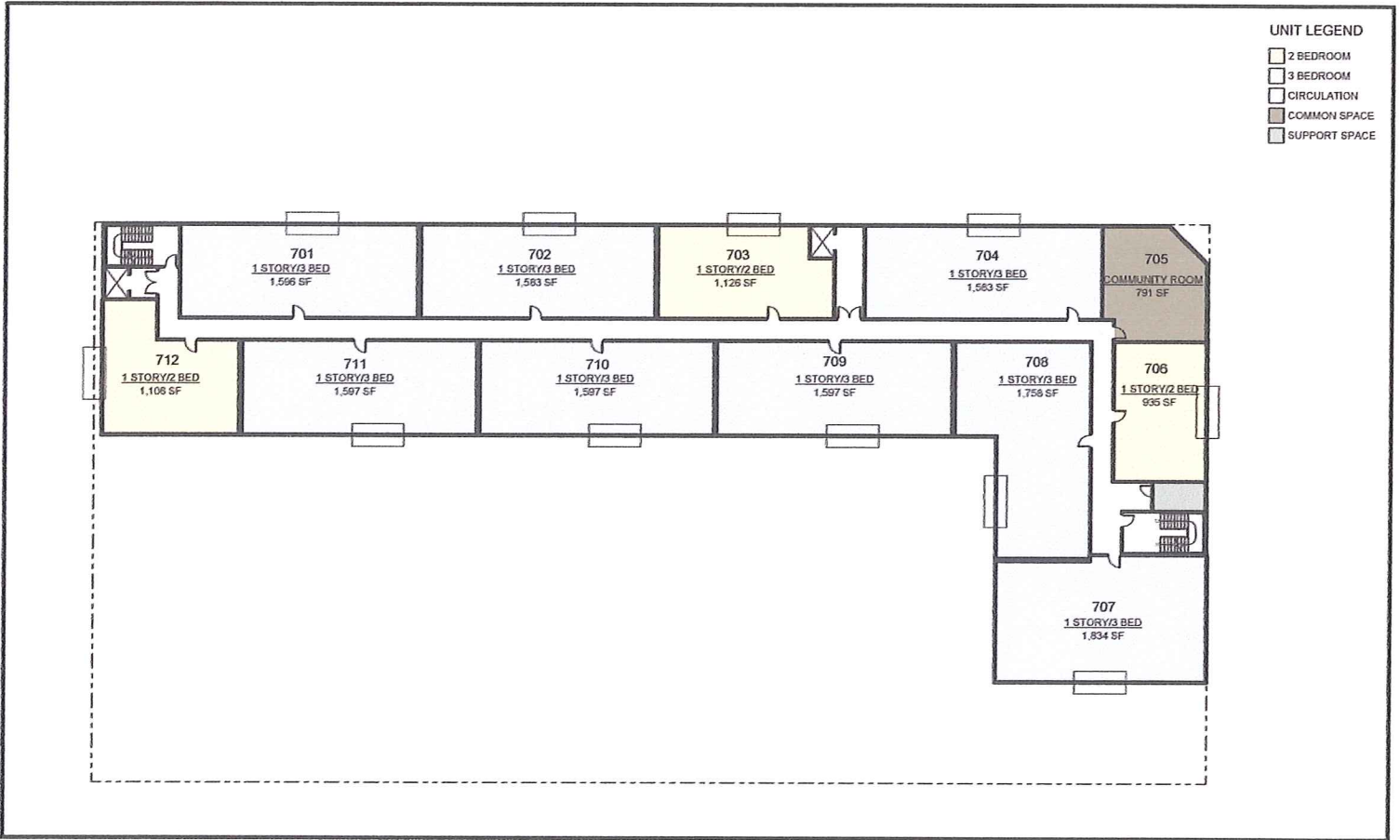
- 2 BEDROOM
- 3 BEDROOM
- CIRCULATION
- SUPPORT SPACE



- UNIT LEGEND**
- 2 BEDROOM
  - 3 BEDROOM
  - CIRCULATION
  - COMMON SPACE
  - SUPPORT SPACE

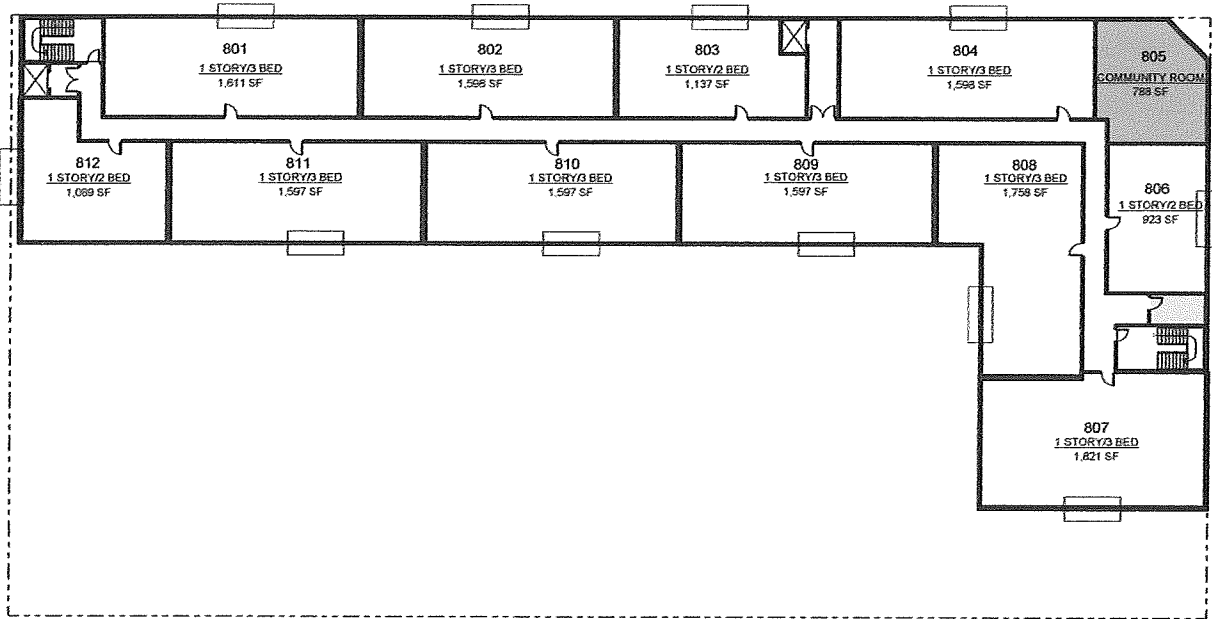






UNIT LEGEND

-  2 BEDROOM
-  3 BEDROOM
-  CIRCULATION
-  COMMON SPACE
-  SUPPORT SPACE



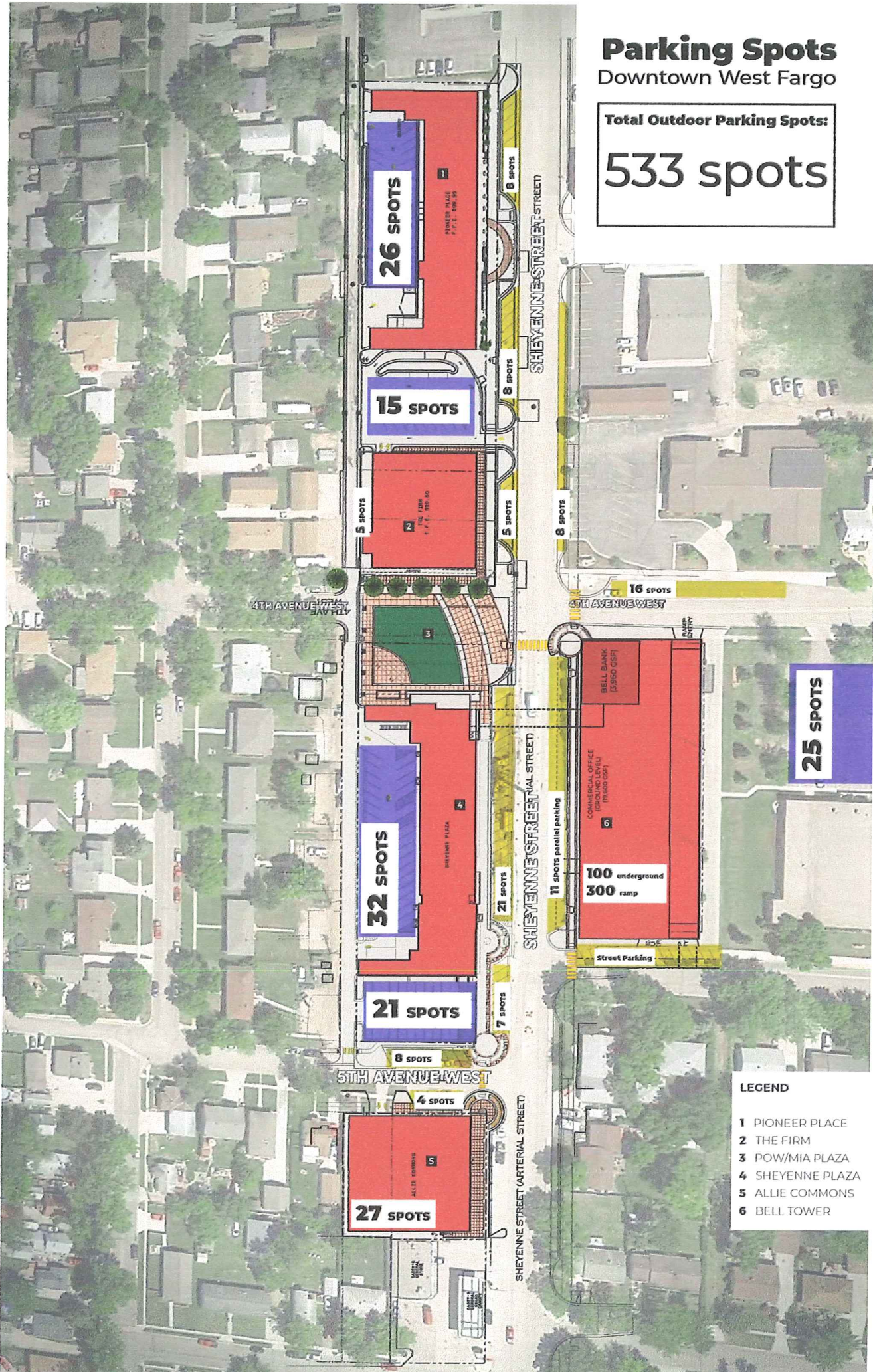


# Parking Spots

Downtown West Fargo

Total Outdoor Parking Spots:

# 533 spots



### LEGEND

- 1 PIONEER PLACE
- 2 THE FIRM
- 3 POW/MIA PLAZA
- 4 SHEYENNE PLAZA
- 5 ALLIE COMMONS
- 6 BELL TOWER