

# Robert W. Wilson County Administrator

Telephone: 701-241-5770 wilsonro@casscountynd.gov

### **MEMO**

TO: County Commission

FROM: Robert W. Wilson

Date: April 3, 2025

Subject: Skyline TIF Application

At the Commission meeting on Monday, April 7<sup>th</sup> the Board will be asked to approve the suggested motion related to the Skyline TIF Application as described in the attached application. This item was originally scheduled for consideration by the Fargo City Commission prior to appearing on the County Board agenda. City consideration of this item has been deferred until April 14<sup>th</sup>.

I anticipate this item will be rescheduled for County Commission consideration on April 21, 2025. Due to timeframes specified in state statute the suggested motion should be considered:

### SUGGESTED MOTION:

Move to NOT participate in the request for Tax Increment Financing (TIF) assistance in the City of Fargo submitted by Skyline for an 88-unit apartment building in the 1100 Block of 18<sup>th</sup> Street North and negotiate the terms of the property tax incentive as described in N.D.C.C. 40-05-24



March 4, 2025

Tony Grindberg, Chairman Cass County Commission 211 9<sup>th</sup> Street South Fargo, ND 58103

Dear Mr. Grindberg,

According to N.D.C.C. Chapter 40-05-24, if the City of Fargo anticipates granting a property tax incentive for more than five years, the Chairman of the County Commission must be notified by letter. Within thirty days of receipt of the letter, the County shall notify the City of Fargo whether they intend to participate in the incentive. If the City does not receive a response, the County must be treated as participating.

The City of Fargo is considering an application from a developer for up to \$1.2 million of Tax Increment Financing (TIF) assistance for the redevelopment of a site in the 1100 Block of 18<sup>th</sup> Street North. The developer's project will be an 88-unit apartment building.

The incentive would be granted in the form of a TIF property tax exemption. The property would be 100% exempt for the first 5 years, 75% exempt in years 6-10, and 50% exempt in years 11-15. The TIF request is for extraordinary costs to make the site suitable for development. These include:

- Demolition, Soil Correction and Remediation
- Public Works Improvements
- Land Acquisition/Write Down
- Administration Costs

Please respond at your earliest convenience with the determination made by the County regarding the participation.

Feel free to contact me with any questions or concerns.

Sincerely,

Jim Gilmour

Strategic Planning Director

CC: Robert Wilson



# M E M O R A N D U M

TO:

**FARGO PUBLIC SCHOOL DISTRICT** 

**FARGO PARK DISTRICT** 

CASS COUNTY

FROM:

JIM GILMOUR, STRATEGIC PLANNING DIRECTOR

DATE:

MARCH 4, 2025

SUBJECT: RENEWAL PLAN & TAX INCREMENT FINANCING DISTRICT

There will be a public hearing on a proposed renewal plan and development agreement at 5:15 p.m. on Monday, March 17, 2025 in the City Commission Room at Fargo City Hall.

Below is a summary of the renewal plan and development agreement. In addition, the Renewal Plan is attached for your review.

Skyline Redevelopment – The site is in the 1100 block of 18th Street North. The redevelopment has begun and seven residential structures have been removed. Tax Increment Financing (TIF) funds of up to \$1,200,000 would be used for payment of the building values, demolition, site cleanup, public infrastructure and administration. The new development will be an 88-unit apartment building.

The property will pay about \$2,800 a year in property taxes in the 2025 tax year. The new development has the potential to increase the taxes to \$252,000 a year, creating a tax increment of \$249,200 a year. The incentive will be in the form of a 15 year TIF property tax exemption. The exemption will be a 100% for five years, a 75% exemption for years 6-10, and a 50% exemption or years 11-15. The estimated annual tax increment in the first 5 years by taxing jurisdiction is \$132,000 for the School District, \$39,000 for the County, and \$31,000 for the Park District. The table below is a projecting of future property tax revenue.

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	 5 to 10	1	1 to 15		After 15
Schools	\$ 32,945	\$	65,890	\$	131,780
County	\$ 9,619	\$	19,238	\$	38,476
Parks	\$ 7,605	\$	15,210	\$	30,420

If you have any questions or concerns, please feel free to contact Jim Gilmour at 701-241-1476 or JGilmour@FargoND.gov.

# RENEWAL PLAN UPDATE DISTRICT NO. 2018-03

CITY OF FARGO, NORTH DAKOTA

February, 2025

# RENEWAL PLAN UPDATE FOR TAX INCREMENT DISTRICT NO. 2018-03

This is a renewal plan update for property within Block 3 of Beardsley's Addition. The 2018 plan did not provide a detailed plan for development. This amendment now identifies a plan for redevelopment. The redevelopment plan and the original 2018-03 plan are attached to this amendment. Attachment A.

# Subsection 1.1. Definitions.

For the purposes of the Renewal Plan, the following terms shall have the meanings specified below, unless the context otherwise requires:

"City" means the City of Fargo, a municipal corporation under the laws of the State of North Dakota.

"City Commission" or "Commission" means the Fargo City Commission.

"Comprehensive Plan" means the City's GO 2030 Comprehensive Plan, including the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City as and when such plan is adopted and finalized.

"County" means Cass County, North Dakota.

"Development" means the construction of new buildings, structures, or improvements; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures or improvements; the acquisition of equipment; and the clearing and grading of land on industrial or commercial property in the Renewal Area.

"Renewal Area" means the property described in Subsection 1.4 of this Plan.

"Renewal Plan" or "Plan" means this Plan adopted by the Commission for the Renewal Area.

"State" means the State of North Dakota.

"Tax Increment Financing Act" or "TIF Act" means North Dakota Century Code, Section 40-58-20, as amended.

"Tax Increment Bonds" means any general obligation or revenue tax increment bonds or notes issued by the City to finance the public costs associated with the TIF District as stated in this Plan, or any obligations issued to refund the Tax Increment Bonds.

"Tax Increment Financing District" or "TIF District" means Tax Increment Financing District No. 2018-03.

"Urban Renewal Law" means North Dakota Century Code, Chapter 40-58.

# Subsection 1.2. Statutory Authority.

The creation of the Renewal Area is authorized by the Urban Renewal Law. Specifically, the creation of the Renewal Area is authorized under North Dakota Century Code, Sections 40-58-01.1(7) and (14), which provide that the local governing body may designate industrial or commercial property, a slum or blighted area, or combination of these properties as appropriate for a development or renewal project.

The Urban Renewal Law provides that communities develop a "workable program" for the use of public and private resources to facilitate the development of industrial or commercial properties, eliminate and prevent the development or spread of slums and urban blight, encourage needed urban rehabilitation, provide for the redevelopment of slum and blighted areas, or undertake these activities or other feasible municipal activities as may be suitably employed to achieve the objectives of the workable program. North Dakota Century Code, Section 40-58-04.

# Subsection 1.3. Statement of Public Purpose

In adopting the Renewal Plan Update of 2018-03, the City Commission intends to make the following findings:

(a) The Renewal Area includes a blighted area.

**Factual basis:** This Renewal Area is blighted due to the presence of deteriorated or deteriorating structures (unsound basements or foundations, inadequate roofing, deteriorated siding and windows) which substantially impairs the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. Photos of the Renewal Area can be found in Attachment B.

(b) The Renewal Area is a residential property.

**Factual basis:** The renewal area is residential and was considered blighted as described in (a) above. Blighted residential areas are eligible for renewal.

(c) The Renewal Area is appropriate for a development or renewal project.

**Factual basis:** In 2018, the renewal area was designated in the Roosevelt/NDSU Neighborhood Land Use Plan for higher-density residential development. The future land use plan for Core Neighborhood Plan identified the plan area as multi-family residential. The property is zoned University Mixed Use, which allows and requires higher density housing.

(d) Comparable replacement dwellings or housing is available to persons displaced by the proposed redevelopment project.

**Factual basis:** All of the buildings in the renewal area have been demolished. There will not be any additional displacement.

(e) The Plan conforms to the Comprehensive Policy Plan for the City as a whole.

**Factual basis:** The City Commission has found that the proposed development is consistent with the goals that are embodied in the GO 2030 Comprehensive Plan. Most notably, the proposed development seeks to address several key initiatives of the GO 2030 plan, including initiatives to Promote Infill, and Housing near NDSU. In addition, the proposed development conforms to the future land use plan of the Roosevelt Neighborhood in the Core Neighborhood Plan. The proposed use of the property is consistent with zoning, adjacent residential land use and transportation facilities. The proposed development will not burden the existing infrastructure as the property is served with the water and sewer main lines.

# Subsection 1.4. Description of Renewal Area

The renewal area is located southwest of NDSU in the Roosevelt Neighborhood. The 2018 Plan provides maps showing information for properties on the block. The boundary of the renewal area is one area on the block, with the yellow line as the perimeter. This block is zoned University Mixed Use (UMU).

There are 7 properties in the renewal area. All of the buildings were demolished following the adoption of the 2018 Renewal Plan.

The two houses in the renewal area that were vacant in 2018 were demolished in that year. The other houses were removed in 2024.

# Subsection 1.5. Demolition of Structures and Redevelopment

Plans for the future redevelopment have been developed and are attached to this plan. The new development is multi-family housing, the housing will comply with the current zoning. The Development of the Renewal Area includes the following activities:

Demolition & Site Cleaning/Grading – This cost is the estimate of the cost to remove existing buildings and foundations, trees and concrete, and inspect for and remove asbestos, plus fill and grade the site. The estimated cost is \$625,000.

Land Acquisitions – The developer has already acquired the properties. Eligible public assistance is up to \$1.2 million.

Administration – Administration costs are estimated at \$75,000.

These costs represent estimated costs for planning purposes, and may be different when this plan is implemented with a development agreement. The development agreement costs will be determined after a review by City financial advisors. The maximum allowed costs will be specified in the development agreement.

# Subsection 1.6. Land Use Attributes.

- (a) Zoning. The property is zoned UMU (University Mixed Use). No zoning or platting changes are required to allow redevelopment on these properties.
- (b) The property is zoned UMU ((University Mixed Use), which allows commercial and requires residential density of 18 units per acre.
- (c) Building Requirements. All properties within this district are subject to the provisions of the City of Fargo Building Codes and the Land Development Code.
- (d) Plan relationship to land use objectives (land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.) The land use objective for this project complies with the UMU (University Mixed Use) zoning district, the redevelopment goals of the GO 2030 Comprehensive Plan and the Core Neighborhood Plan. The development provides for new residential dwelling units within an existing residential neighborhood.

# Subsection 1.7. Redevelopment and Financing

The City anticipates that implementation of this Renewal Plan may involve certain public costs. Under North Dakota Century Code, Sections 40-58-20 and 40-58-20.1 allow the use of funds received from tax increments to be applied to certain specified costs.

The costs identified in Subsection 1.5 will be determined after a review by City financial advisers. The maximum allowed costs will be specified in the development agreement. Based on the proposed development, the present value of TIF savings is \$1.15 million over 15 years.

This City is planning to offer a TIF exemption for this project.

# Subsection 1.8. Estimate of Bonded Indebtedness

The City intends to finance certain costs of the Development through the issuance of a Tax Increment Financing property tax exemption to the Developer. Pursuant to North Dakota Century Code, Section 40-58-20 (11), and the City may, "As an alternative to the sale of bonds to the amortized with tax increments as provided in this section, the governing body of a municipality may, in its discretion, grant a total or partial tax exemption for the project in order to provide assistance to a project developer in a development or renewal area, pursuant to agreement with the municipality."

### Subsection 1.9. Tax Increment Financing.

The original assessed value of the property within the Renewal Area, as last assessed and equalized before the base year of this Plan, is \$195,900.

# Subsection 1.10. Estimate of Tax Increment.

It is anticipated the Development will result in an increase in true and full value of the Renewal Area redevelopment site to over \$18 million. The increase in value will be approximately \$18 million. Under the mill rate in effect as of the date of this Plan, the developers benefit will be \$252,000 a year for five years, \$189,000 a year for the next five years, and \$126,000 a year in years 11-15.

# Subsection 1.11. Duration of the TIF District.

The TIF exemption will for a fifteen-year period.

# ATTACHMENT A PLAN FOR REDEVELOPMENT





# SKYLINE APARTMENTS - VIEW I JANUARY 17TH 2025

CONCEPTUAL RENDERING

GOLDMARK"
DESIGN AND DEVELOPMENT

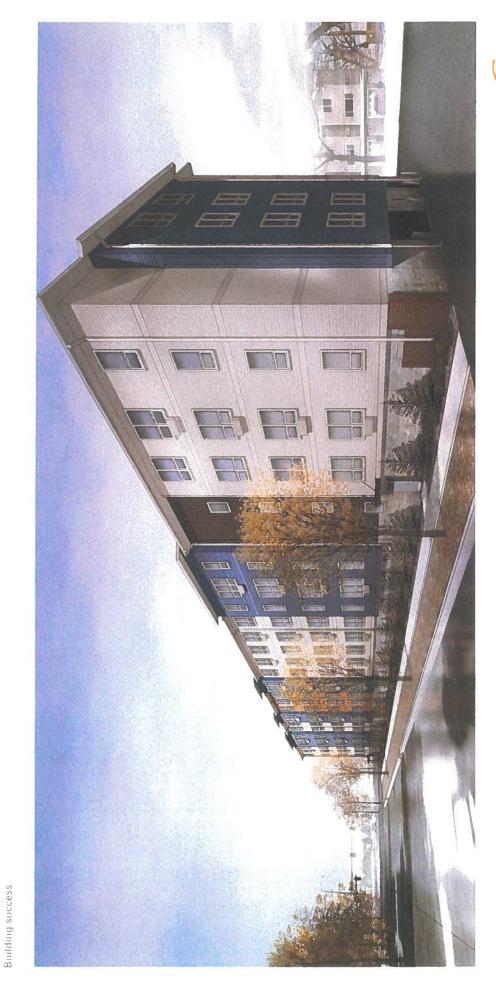




# SKYLINE APARTMENTS - VIEW 2 JANUARY 17TH 2025 CONCEPTUAL RENDERING







# SKYLINE APARTMENTS - VIEW 3 JANUARY 17TH 2025 CONCEPTUAL RENDERING







# SKYLINE APARTMENTS - VIEW JANUARY 17TH 2025

CONCEPTUAL RENDERING





Building success.



# EXTERIOR MATERIALS SKYLINE APARTMENTS

JANUARY 17TH 2025



SHEEL CONTENTS
FIRST & SECOND
FLOOR OVERALL
PLANS A1.01

DOCUMENT PHASE FTG FNDN & SITE SET

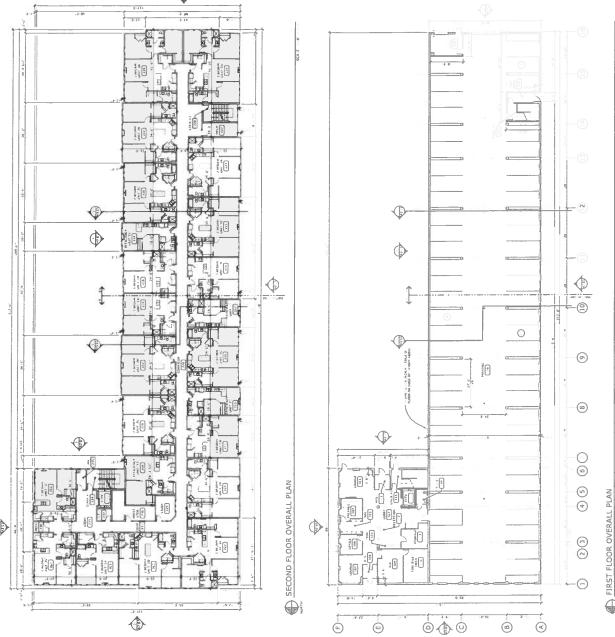
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THIRD FLOOR OVERALL PLAN

PROJECT NO 22-008

DA1E FEB 15, 2025

DRAWN BY MEM

CHECKED BY NGV SHEET CONTENTS
THIRD & FOURTH
FLOOR OVERALL
PLANS DOCUMENT PHASE FTG. FNDN & SITE SET

**РАКСО, ИОВТН DAKOTA** CORNER OF 12TH AVE N & 18TH ST N **SKYLINE APARTMENTS - NDSU** 

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GOLDMARK

UNIT MATRIX

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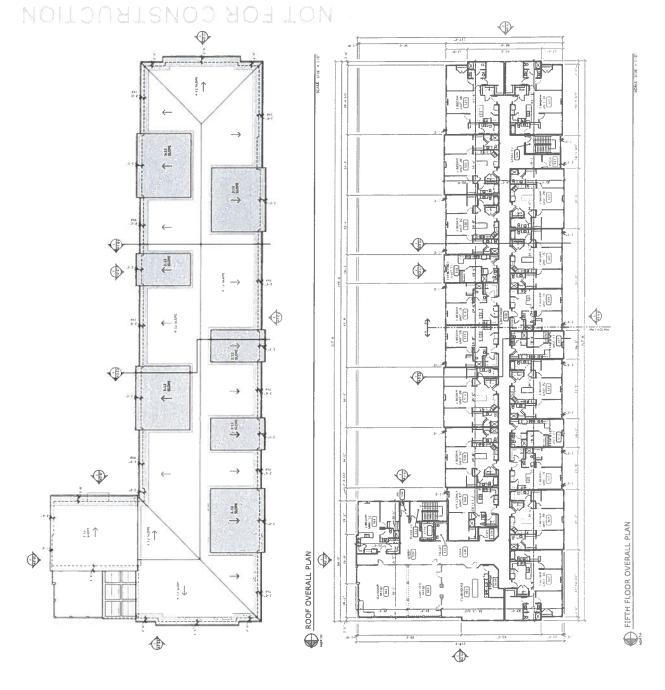
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ORAWN BY MEM CHECKED BY NGV DOCUMENT PHASE FTG, FNDN & SITE SET SHEET CONTENTS FIFTH FLOOR & ROOF OVERALL PLANS

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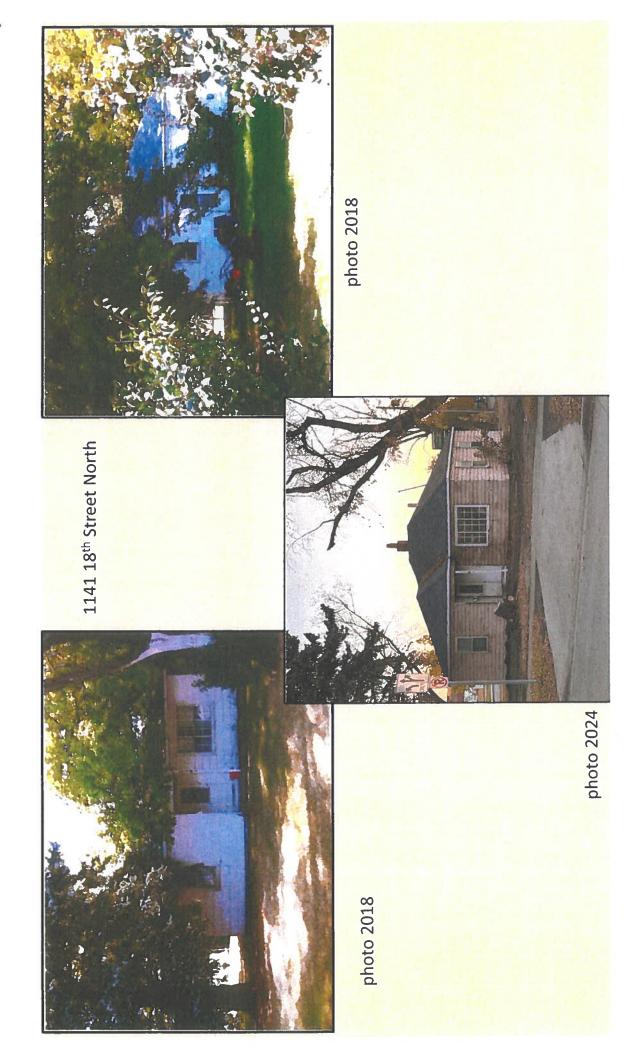
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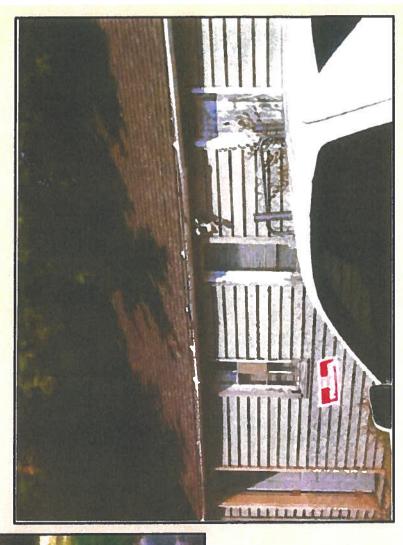
2000 44TH ST. S., #102 FARGO, ND 58103 701-893-3839 GOLDMARK DE JOSE AND DEVELOPMENT

DATE FEB 15, 2025 PROJECT NO

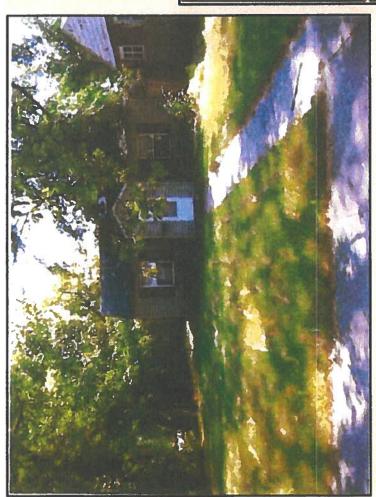
# ATTACHMENT B PHOTOS OF EXISTING CONDITIONS

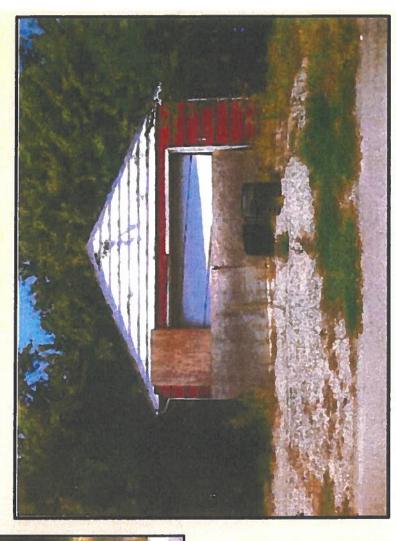
RENEWAL PLAN
District 2018-03
Site Photos



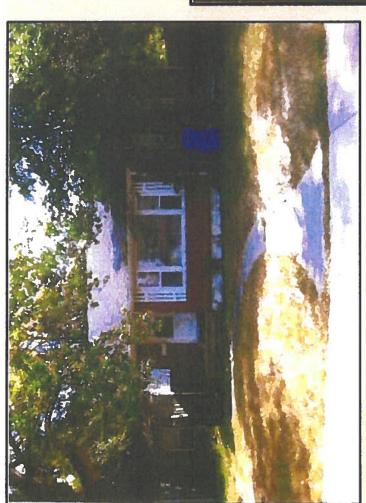


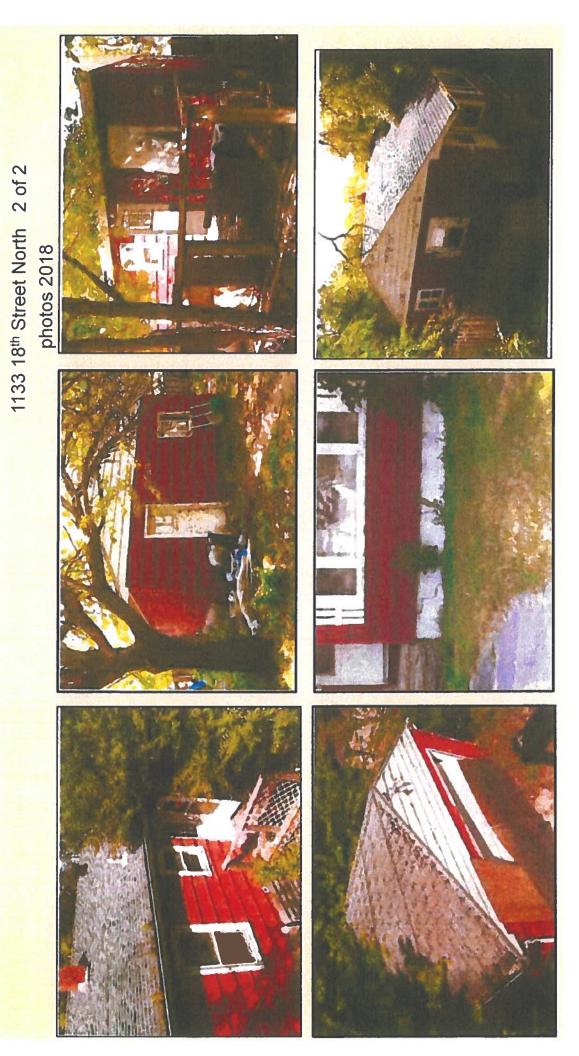
1137 18<sup>th</sup> Street North photos 2018

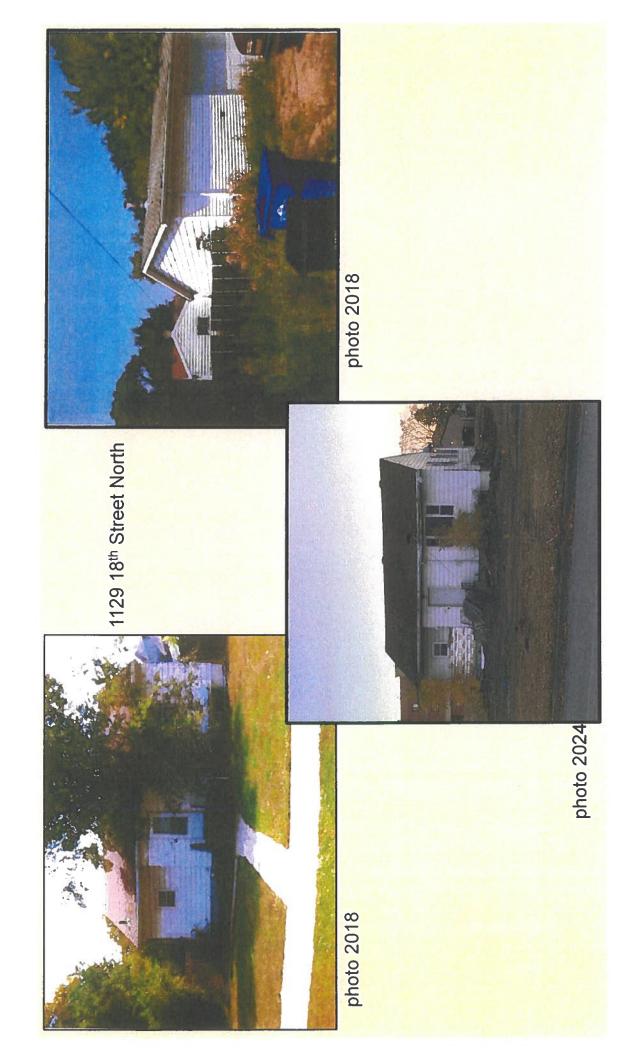




1133 18th Street North 1 of 2 photos 2018







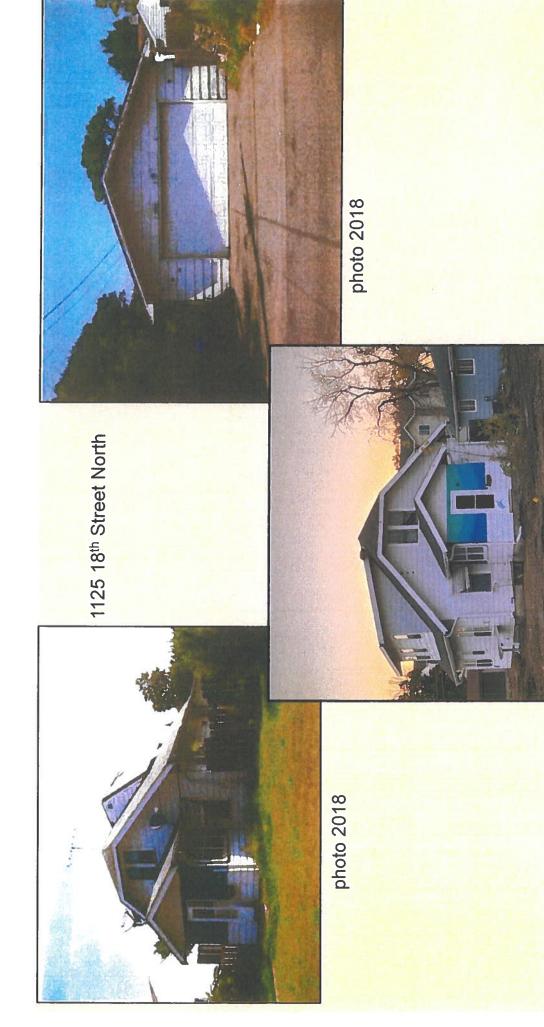
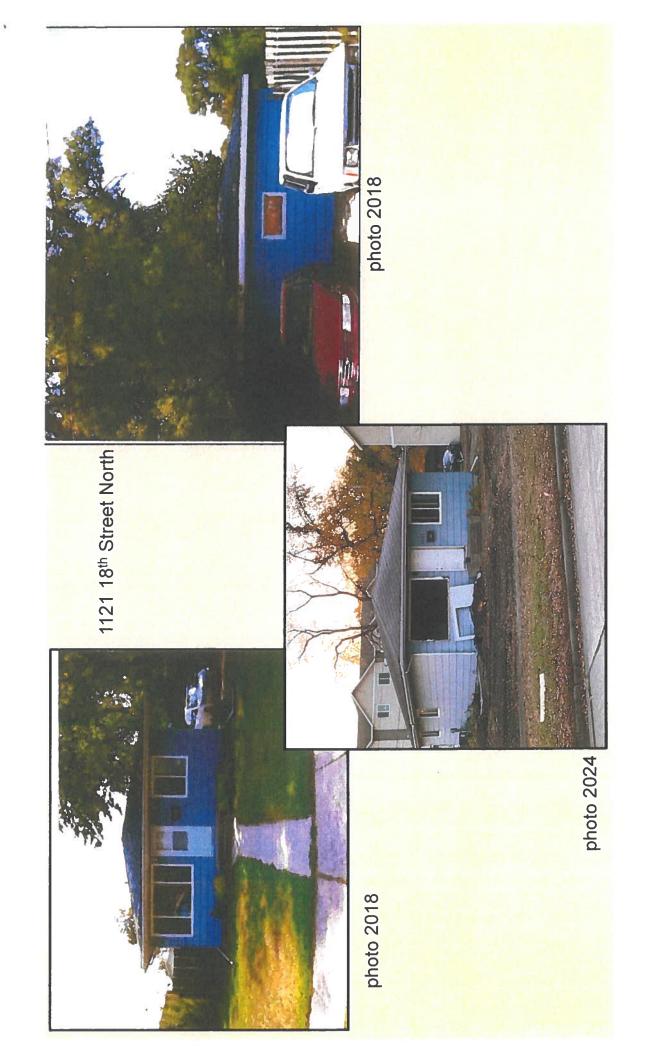
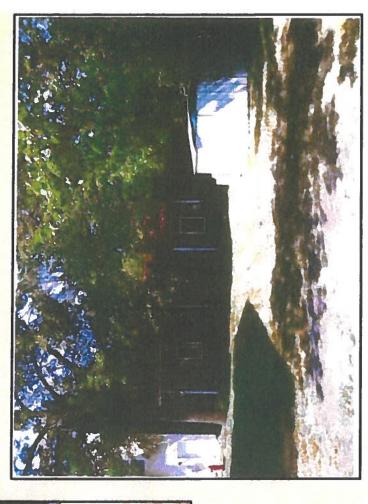
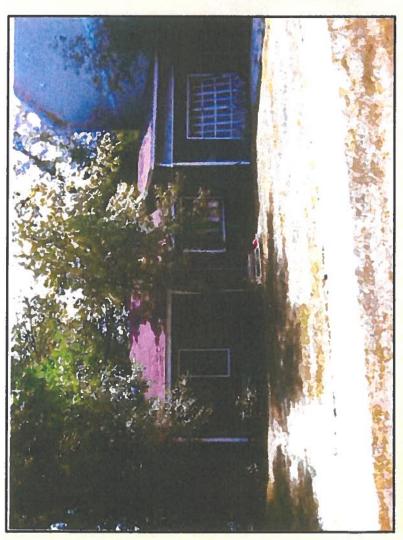


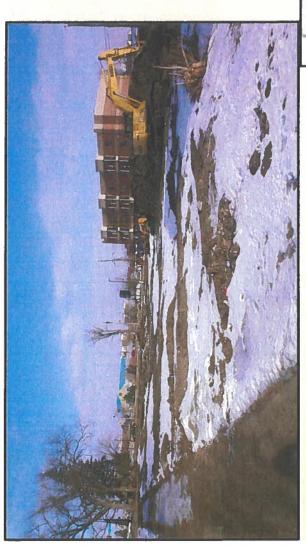
photo 2024





1117 18th Street North photos 2018





All residences have been demolished. photos January, 2025

←Facing northeasterly across the subject property from 18th Street North.

Facing southwesterly across the subject property → from the intersection of the alley and 12<sup>th</sup> Avenue



# RENEWAL PLAN DISTRICT NO. 2018-03

CITY OF FARGO, NORTH DAKOTA

September, 2018

# **RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2018-03**

This is a renewal plan for property within Block 3 of Beardsley's Addition. The plan identifies property already appropriate for redevelopment, but does not describe in detail the plans for redevelopment. When the type of redevelopment is available for review, this plan will be amended to describe the project to be constructed.

# Subsection 1.1. Definitions.

For the purposes of the Renewal Plan, the following terms shall have the meanings specified below, unless the context otherwise requires:

"City" means the City of Fargo, a municipal corporation under the laws of the State of North Dakota.

"City Commission" or "Commission" means the Fargo City Commission.

"Comprehensive Plan" means the City's GO 2030 Comprehensive Plan, including the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City as and when such plan is adopted and finalized.

"County" means Cass County, North Dakota.

"Development" means the construction of new buildings, structures, or improvements; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures or improvements; the acquisition of equipment; and the clearing and grading of land on industrial or commercial property in the Renewal Area.

"Renewal Area" means the property described in Subsection 1.4 of this Plan.

"Renewal Plan" or "Plan" means this Plan adopted by the Commission for the Renewal Area.

"State" means the State of North Dakota.

"Tax Increment Financing Act" or "TIF Act" means North Dakota Century Code, Section 40-58-20, as amended.

"Tax Increment Bonds" means any general obligation or revenue tax increment bonds or notes issued by the City to finance the public costs associated with the TIF District as stated in this Plan, or any obligations issued to refund the Tax Increment Bonds.

"Tax Increment Financing District" or "TIF District" means Tax Increment Financing District No. 2018-03.

"Urban Renewal Law" means North Dakota Century Code, Chapter 40-58.

# Subsection 1.2. Statutory Authority.

The creation of the Renewal Area is authorized by the Urban Renewal Law. Specifically the creation of the Renewal Area is authorized under North Dakota Century Code, Sections 40-58-01.1(7) and (14), which provide that the local governing body may designate industrial or commercial property, a slum or blighted area, or combination of these properties as appropriate for a development or renewal project.

The Urban Renewal Law provides that communities develop a "workable program" for the use of public and private resources to facilitate the development of industrial or commercial properties, eliminate and prevent the development or spread of slums and urban blight, encourage needed urban rehabilitation, provide for the redevelopment of slum and blighted areas, or undertake these activities or other feasible municipal activities as may be suitably employed to achieve the objectives of the workable program. North Dakota Century Code, Section 40-58-04.

# Subsection 1.3. Statement of Public Purpose

In adopting the Renewal Plan 2018-03, the City Commission intends to make the following findings:

(a) The Renewal Area includes a blighted area.

**Factual basis:** This Renewal Area is blighted due to the presence of deteriorated or deteriorating structures (unsound basements or foundations, inadequate roofing, deteriorated siding and windows) which substantially impairs the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. Photos of the Renewal Area can be found in Attachment A.

(b) The Renewal Area is a residential property.

**Factual basis:** The renewal area is residential and considered blighted as described in (a) above. Blighted residential areas are eligible for renewal.

(c) The Renewal Area is appropriate for a development or renewal project.

**Factual basis:** The renewal area is designated in the Roosevelt/NDSU Neighborhood Land Use Plan for higher-density residential development. The property is zoned University Mixed Use, which allows and requires higher density housing.

(d) Comparable replacement dwellings or housing is available to persons displaced by the proposed redevelopment project.

**Factual basis:** Many of the properties are vacant. There are vacant houses and apartments in the neighborhood and north Fargo.

(e) The Plan conforms to the Comprehensive Policy Plan for the City as a whole.

Factual basis: The City Commission has found that the proposed development is consistent with the goals that are embodied in the GO 2030 Comprehensive Plan. Most notably, the proposed development seeks to address several key initiatives of the GO 2030 plan, including initiatives for/to Promote Infill, Quality New Development, and High Quality Affordable Housing near NDSU. In addition, the proposed development conforms to the Roosevelt/NDSU Neighborhood Land Use Plan. The proposed use of the property is consistent with zoning, adjacent residential land use and transportation facilities. The proposed development will not burden the existing infrastructure as the property is served with the water and sewer main lines.

### Subsection 1.4. Description of Renewal Area

The renewal area is located southwest of NDSU in the Roosevelt Neighborhood. This subsection provides maps showing information for properties on the block. The boundary of the renewal area is one area on the block, with the yellow line as the perimeter. This block is zoned University Mixed Use (UMU). See Attachment B.

There are 18 properties on the block, a mix of single-family, duplexes and multi-family buildings. There are three multi-family buildings, each with 12 housing units. Three of the properties are two unit buildings. There are also ten single-family houses. Seven of the single-family homes are quite old, being over 70 years old.

There are 7 properties in the renewal area. Of those seven properties, six are single-family houses and one appears to be single-family house converted to a two unit building. See Attachment C.

Bison Gold Investments is the owner of 7 of the 18 properties on the block. Two single-family houses on the block appear to be owner occupied. The other nine properties appear to be rental housing. See Attachment D.

There are two houses in the renewal area that are vacant, severely blighted and dilapidated. The owner of these properties plans to demolish these houses with the encouragement of the City. See Attachment E that shows the location of the dilapidated houses.

# Subsection 1.5. Demolition of Structures and Redevelopment

Plans for the future redevelopment is not known at this time. It is expected to be multi-family housing for students and staff at North Dakota State University. The type of housing will depend on market conditions at the time of the development. The housing will comply with the current or future zoning of the area.

The Development of the Renewal Area includes the following initial activities:

Demolition & Site Cleaning/Grading – This cost is the estimate of the cost to remove existing buildings and foundations, trees and concrete, and inspect for and remove asbestos, plus fill and grade the site. The estimate is \$15,000 per structure. The City will encourage the owner of dilapidated and substandard properties on this block to demolish the properties and maintain the property as green space until new structures can be developed.

Land Acquisitions – The developer has already acquired the properties. Any public assistance for land purchase would be determined based on a financial review of future redevelopment plans.

Administration – Administration costs are equal to about five percent of the development assistance of the above costs.

These costs represent estimated costs for planning purposes, and may be different when this plan is implemented with a development agreement. The development agreement costs will be determined after a review by City financial advisors. The maximum allowed costs will be specified in the development agreement.

### Subsection 1.6. Land Use Attributes.

- (a) Zoning. The property is zoned UMU (University Mixed Use). No zoning or platting changes are required to allow redevelopment on these properties.
- (b) The property is zoned UMU ((University Mixed Use), which allows commercial and requires residential density of 18 units per acre.
- (c) Building Requirements. All properties within this district are subject to the provisions of the City of Fargo Building Codes and the Land Development Code.
- (d) Plan relationship to land use objectives (land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.) The land use objective for this project complies with the UMU (University Mixed Use) zoning district, the redevelopment goals of the GO 2030 Comprehensive Plan and the Roosevelt Neighborhood Plan. The development provides for new residential dwelling units within an existing residential neighborhood.

# Subsection 1.7. Redevelopment and Financing

The City of Fargo may consider providing Tax Increment Financing to assist with redevelopment of this area. However, a Tax Increment Financing is not being created as part of this renewal plan. Creation of a Tax Increment Financing District and an agreement to assist the developer would require amendment of this plan and adoption of a developer's agreement.

The City anticipates that implementation of this Renewal Plan may involve certain public costs. Under North Dakota Century Code, Sections 40-58-20 and 40-58-20.1 allow the use of funds received from tax increments to be applied to certain specified costs. If the City decides to provide costs those costs would be for property acquisition, demolition and site cleanup, and public works improvements.

If the City decides to finance certain costs of the Development, it will be through the issuance of a Tax Increment Financing Note to the Developer. The maximum term of the note would be 15 years. Based on current tax rates, annual TIF revenue would be approximately 1.4% of the increased value.

The amount of any public assistance will be based on City of Fargo Tax Increment Financing policies, a review of the financial needs of the project, the vacancy rate for apartments in the vicinity of NDSU and the quality of the new development.

By adoption of this Renewal Plan, the City of Fargo is encouraging owners of dilapidated structures to demolish those structures immediately and to maintain that property as green space until they are ready to build new on the property. Property owners are also encouraged to maintain existing structures to comply with city housing codes, or demolish the structures.

# Subsection 1.8. Renewal Plan Amendments

The City anticipates that this Renewal Plan will be amended prior to final implementation. These amendments may, provide details on the new buildings, provide incentives to the developer, create a Tax Increment Financing District and incorporate a schedule for implementation.

# 1141 18<sup>th</sup> St N ATTACHMENT A

