



Robert W. Wilson
County Administrator

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MEMO

TO: County Commission

FROM: Robert W. Wilson

Date: May 1, 2025

Subject: Lennon Lofts TIF Application

At the Commission meeting on Monday, April 7th the Commission considered approval of the Lennon Lofts TIF Application as described in the attached application. The Board made a motion to not participate in the request and continue negotiating with the developer as described in N.D.C.C 40-05-24 and directed Commissioner Kapitan and County Administrator to continue the discussion with the developer.

The recommendation is to participate in the TIF with a 100% exemption for years 1-5 for the Renaissance Exemption, and at 50% for years 6 to 10.

SUGGESTED MOTION: Move to participate in the request for Tax Increment Financing (TIF) assistance in the City of Fargo submitted by Lennon Lofts for a 22-unit apartment building at 220 6th Avenue North with a 100% exemption for years 1-5 for the Renaissance Exemption, and at 50% for years 6 to 10.



March 4, 2025

Tony Grindberg, Chairman
Cass County Commission
211 9th 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 Commission 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 \$400,000 of Tax Increment Financing (TIF) assistance for the redevelopment of a site at 220 6th Avenue North. The developer's project will be a 22-unit apartment building.

The incentive would be granted in the form of a TIF property tax exemption. The property would be 100% exempt for tax years 6-10 following a 5-year Renaissance Zone property tax exemption. 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

MEMORANDUM

**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.

Lennon Lofts Redevelopment – The site is at 220 6th Avenue North. The redevelopment will remove two buildings on the site. Tax Increment Financing (TIF) funds of up to \$400,000 would be used for payment of the building values, demolition/site cleanup, public infrastructure and administration. The new development will be a 22-unit apartment building.

The property will pay about \$2,300 a year in property taxes in the 2025 tax year. The new development has the potential to increase the taxes to \$42,000 a year, creating a tax increment of \$39,700 a year. The incentive will be in the form of a 5-year TIF property tax exemption, in addition to a 5-year Renaissance Zone exemption. The estimated annual tax increment by taxing jurisdiction is \$22,000 for the School District, \$6,500 for the County, and \$5,100 for the Park District.

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

RENEWAL PLAN
TAX INCREMENT FINANCING DISTRICT NO. 2025-01
CITY OF FARGO, NORTH DAKOTA
FEBRUARY 2025

RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2025-01

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RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2025-01

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. 2025-01.

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

Subsection 1.2. Statutory Authority.

The creation of the Renewal Area and the establishment of Tax Increment Financing District No. 2025-01 are 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 for TIF District No. 2025-01, the City Commission intends to make the following findings:

- (a) The Renewal Area includes a blighted properties.

Factual basis: This Renewal Area is blighted due to the presence of a vacant and blighted buildings. There was a fire in an apartment building, with visible burned out windows on the upper floor. This 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 are include in Appendix D.

- (b) The Renewal Area contains one small apartment building and a duplex with blighted conditions.

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

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

Factual basis: The renewal area is zoned DMU, Downtown Mixed Use, that allows for multi-family housing.

- (d) The 6-unit apartment building and duplex are vacant.

Factual basis: There is no occupied housing on the site because of the poor condition of the buildings. The project will not displace anyone. The redevelopment will be new housing units.

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

Factual basis: The proposed development is consistent with the goals that are embodied in the Go2030 Comprehensive Plan and the Growth Plan. Specifically, those plans support infill and density within areas that are already developed, serviced with utilities, and protected by a flood resiliency strategy. The promotion of infill development is the number two ranked priority of Go2030.

The plan is consistent with the future land use map of the Downtown Plan. The land use plan identified this block as residential. The proposed development will use existing infrastructure.

Subsection 1.4. Description of Renewal Area

The Renewal Area is one lot at 220 6th Avenue North on the northeast edge of the downtown. The site is 8,400 square feet. It is legally described in Appendix A. A map of the Renewal Area is attached as Appendix B.

The proposed project will be an apartment building with 22 housing units.

The redevelopment plan is attached as Appendix C.

Subsection 1.5. Land Acquisition, Development, Demolition and Removal of Structures, Redevelopment or Public Improvements

The Development of the Renewal Area includes the following activities:

Land Acquisition/Land Write Down. - The cost of acquisition of the properties less the value of the land.

Building Demolition and Site Clearing – This estimate is for demolition of the buildings and any environmental cleanup.

Public Infrastructure – The estimate is for the costs to disconnect utilities in the street and reconstruction sidewalks and vehicle approaches to the property.

Administrative/TIF Fees – Other Tax Increment costs include the administrative costs.

Subsection 1.6. Land Use Attributes – TIF District

- (a) *Zoning or Planning Changes.*
The Renewal area is zoned DMU, Downtown Mixed Use. No zoning changes are required for this project.
- (b) *Maximum Densities.*
The property within the TIF District will be developed in accordance with the applicable zoning district requirements.
- (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 imps.)*

The project complies with the zoning district and the redevelopment goals of the Go2030 Comprehensive Plan, the Growth Plan and the Downtown Plan.

Subsection 1.7. Estimate of Development Costs

The City anticipates development of the Renewal Area will 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 City will provide for certain costs as listed below in a development agreement, and can use other funds to pay for city infrastructure. The primary costs involved in the development are land costs, demolition and site cleanup, and public works improvements.

Land Costs	\$229,100
Demolition and Site Cleanup	\$150,000
Public Infrastructure	\$85,000
Administration	\$23,205
TOTAL	\$487,305

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 advisers. The maximum allowed costs will be specified in the development agreement. Based on the proposed development, the present value of TIF savings is \$347,381 over 10 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 \$159,700.

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 \$2.5 million. The increase in value will be approximately \$2.35 million. Under the mill rate in effect as of the date of this Plan, the developers benefit will be \$32,000 a year.

Subsection 1.11. Duration of the TIF District.

The TIF exemption will for a five-year period that will follow the end of a five-year Renaissance Zone Exemption.

APPENDIX A
LEGAL DESCRIPTION OF PROPERTY



Parcel Information Report

Parcel Number: 01-8777-00100-000

General Information

Segment Id: 1
Owner 1: MBA INVESTMENTS LLC
Owner 2:
Property Address: 220 6 AVE N
Mailing Address: 505 BROADWAY N STE 201 FARGO, ND 58102
Addition Name: 220
Block: 1
Lot: 1

Additional Description:

*5/27/2021 SPL/FR 01-1540-00290-000 & 01-1540-0230-000 VIA NEW ADDITION PLAT #1633340 SPL #2021-053

Estimated Flood Stage Levels For River Flooding:

If your property is outside the city limits or your property and structure are not affected by a 25 to 44 foot flood stage data will be not available (N/A).

Property may be affected by an approximate flood stage of 42 or higher.

Structure may be affected by an approximate flood stage of 42 or higher.

Please note that this approximation does not take into account any local issues such as ice and debris jams or localized flooding from intense rainfall events.

District Information

Cass School District: 1
Elem. School District: HoraceMann

Property Valuation

	Land	Improvements	Total
Current Appraised Value:	\$55,000.00	\$64,000.00	\$119,000.00

Building Information

Year Built:	1893	No. of Apartment Units:	6
Total Building SqFt:	4200	Residential Story Height:	()

Lot Size

Front Width:	140.00	Land Use:	P (Apartment)
Back Width:	140.00	Property Type:	10 (Apartment)
Depth Side 1:	60.00		
Depth Side 2:	60.00	Square Footage:	8400.00

DISCLAIMER: The City of Fargo provides property information to the public "as is" without warranty of any kind, expressed or implied. Assessed values are subject to change by the City of Fargo. In no event will the City of Fargo be liable to anyone for damages arising from the use of the property data. You assume responsibility for the selection of data to achieve your intended results, and for the installation and use of the results obtained from the property data.

Assessment records are for the sole purpose of identifying the land being taxed. In some cases to attain efficiency, Assessment Department legal descriptions may be shortened yet will retain sufficient information to identify the land. Since tax statements and records are not deeds and may contain abbreviated descriptions, they should not be used as a basis for a survey or a legal document and should not be used by surveyors or others as the primary source of a property description.



Parcel Information Report

Parcel Number: 01-8777-00100-000

General Information

Segment Id: 2
Owner 1: MBA INVESTMENTS LLC
Owner 2:
Property Address: 214 6 AVE N
Mailing Address: 505 BROADWAY N STE 201 FARGO, ND 58102
Addition Name: 220
Block: 1
Lot: 1

Additional Description:

*5/27/2021 SPL/FR 01-1540-00290-000 & 01-1540-0230-000 VIA NEW ADDITION PLAT #1633340 SPL #2021-053

Estimated Flood Stage Levels For River Flooding:

If your property is outside the city limits or your property and structure are not affected by a 25 to 44 foot flood stage data will be not available (N/A).

Property may be affected by an approximate flood stage of 42 or higher.

Structure may be affected by an approximate flood stage of 42 or higher.

Please note that this approximation does not take into account any local issues such as ice and debris jams or localized flooding from intense rainfall events.

District Information

Cass School District: 1
Elem. School District: HoraceMann

Property Valuation

	Land	Improvements	Total
Current Appraised Value:	\$15,900.00	\$24,800.00	\$40,700.00

Building Information

Year Built:	1904	No. of Apartment Units:	
Total Building SqFt:	1452	Residential Story Height:	7 (2 Story)

Lot Size

Front Width:	Land Use:	R (Residential)
Back Width:	Property Type:	2 (Duplex)
Depth Side 1:		
Depth Side 2:	Square Footage:	

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APPENDIX B

MAP OF THE RENEWAL AREA/TIF DISTRICT



These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

Renewal Area 2025-01

1:2,257

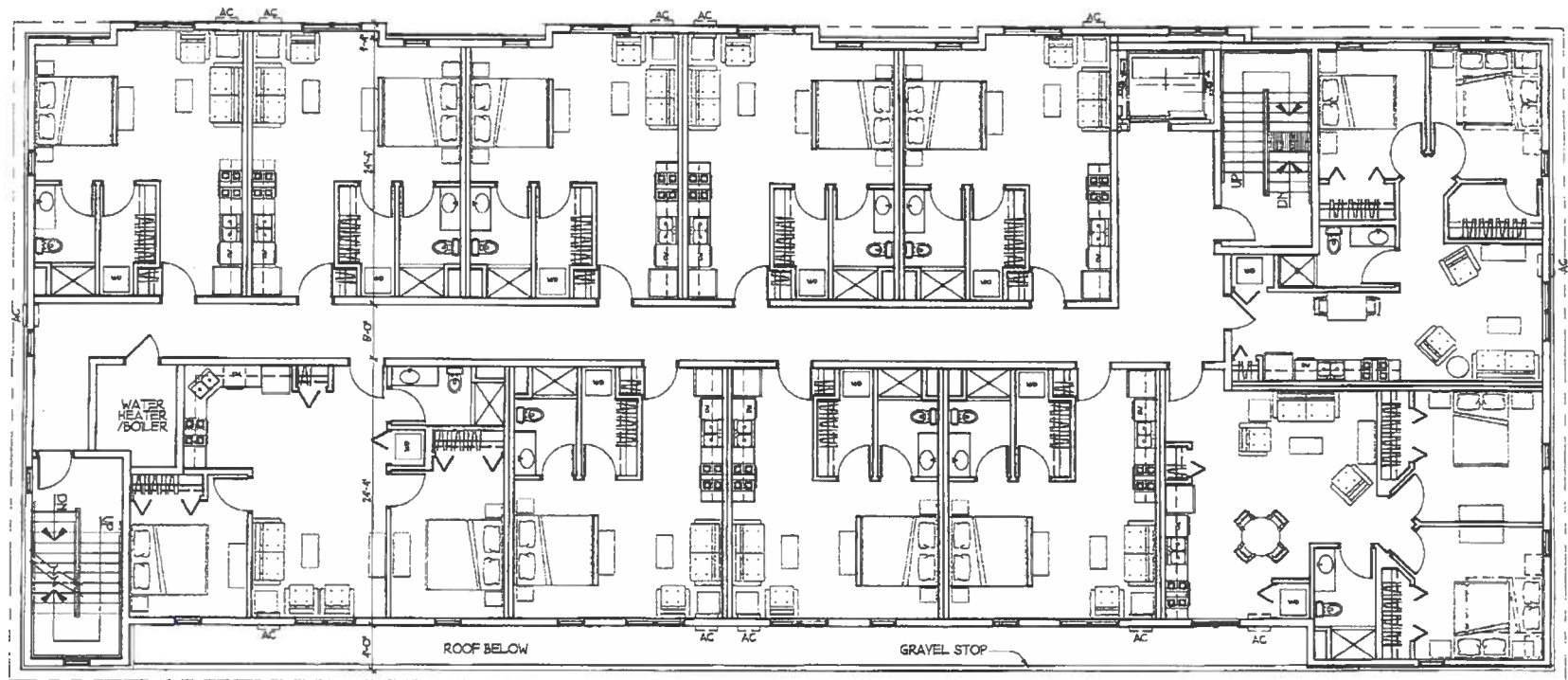
2/25/2025 2:59 PM

This map is not a substitute for accurate field surveys or for locating actual property lines and any adjacent features.

THE CITY OF
Fargo
FAR MORE

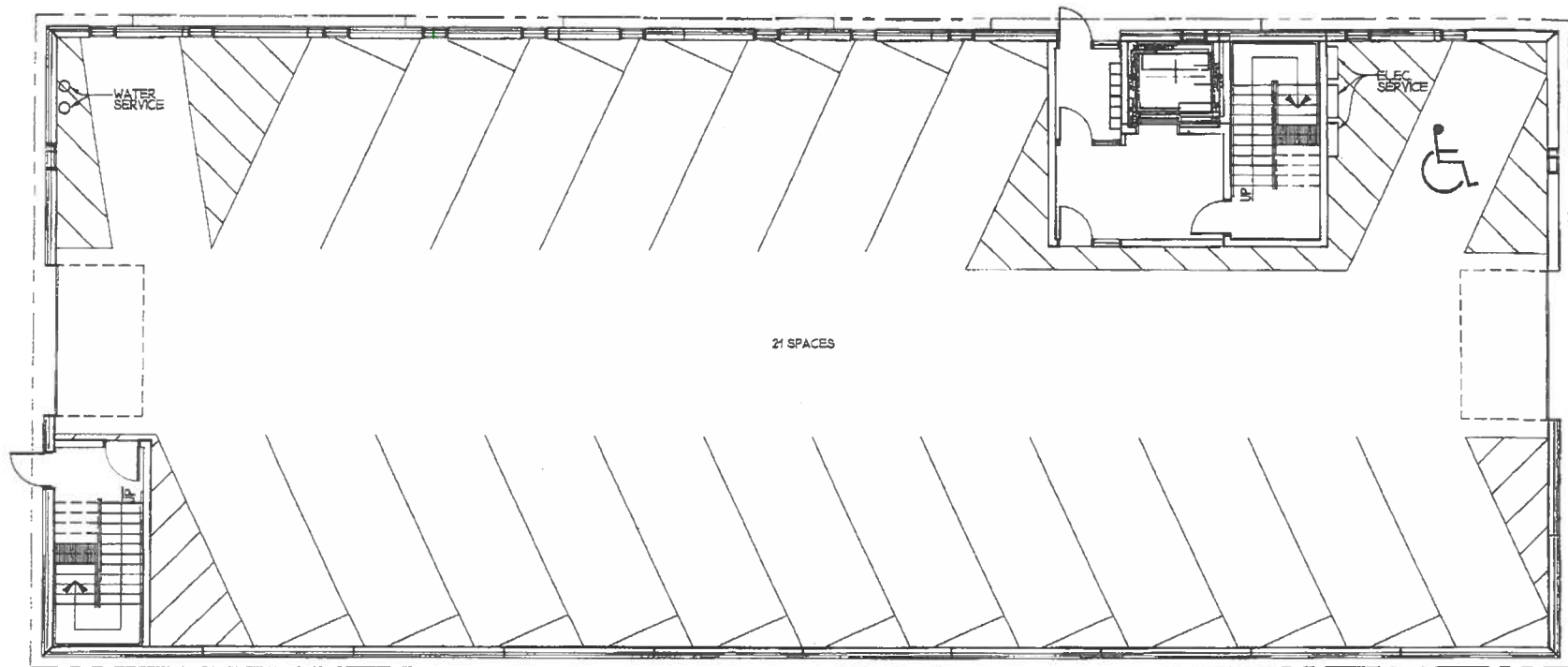
APPENDIX C
PLAN FOR REDEVELOPMENT





SECOND & THIRD FLOOR PLAN
1" = 10'-0"





FIRST FLOOR PLAN
1'-0"



APPENDIX D

PHOTOS OF EXISTING CONDITIONS

214 and 220 6th Avenue North

photos February 14th, 2025

Facing southwesterly
across 6th Avenue North
at 214 (house) and 220
(apartment building)



Facing southerly
across 6th Avenue
North at 214.
Alley on the left
(east) provides
access rear of
property.





Facing southeasterly across 6th Avenue North at 220 (apartment building) and 214 (house)



Facing southerly at 220. Note boarded-up window on third floor right.

Facing easterly
at 220 from
3rd Street North.



Close-up of third floor
of 220 showing
boarded-up
windows as a result
of fire damage.

