

# Let's Talk DOWNTOWN

## 500 in 5 Housing Goal:

*The City of Moorhead will encourage development of 500 additional downtown housing units in the next 5 years.*

### Proposed Partnerships and Strategies:

- 1. Review/modify downtown incentives to encourage development.**
- 2. Conduct a downtown planning study to analyze market trends with partners, Downtown Moorhead Inc. and EDA - Economic Development Authority.**
- 3. Evaluate/identify possible development opportunities in Downtown Moorhead.**
  - **Property acquisition/divestiture**
  - **Environmental remediation**
  - **Infrastructure installation**

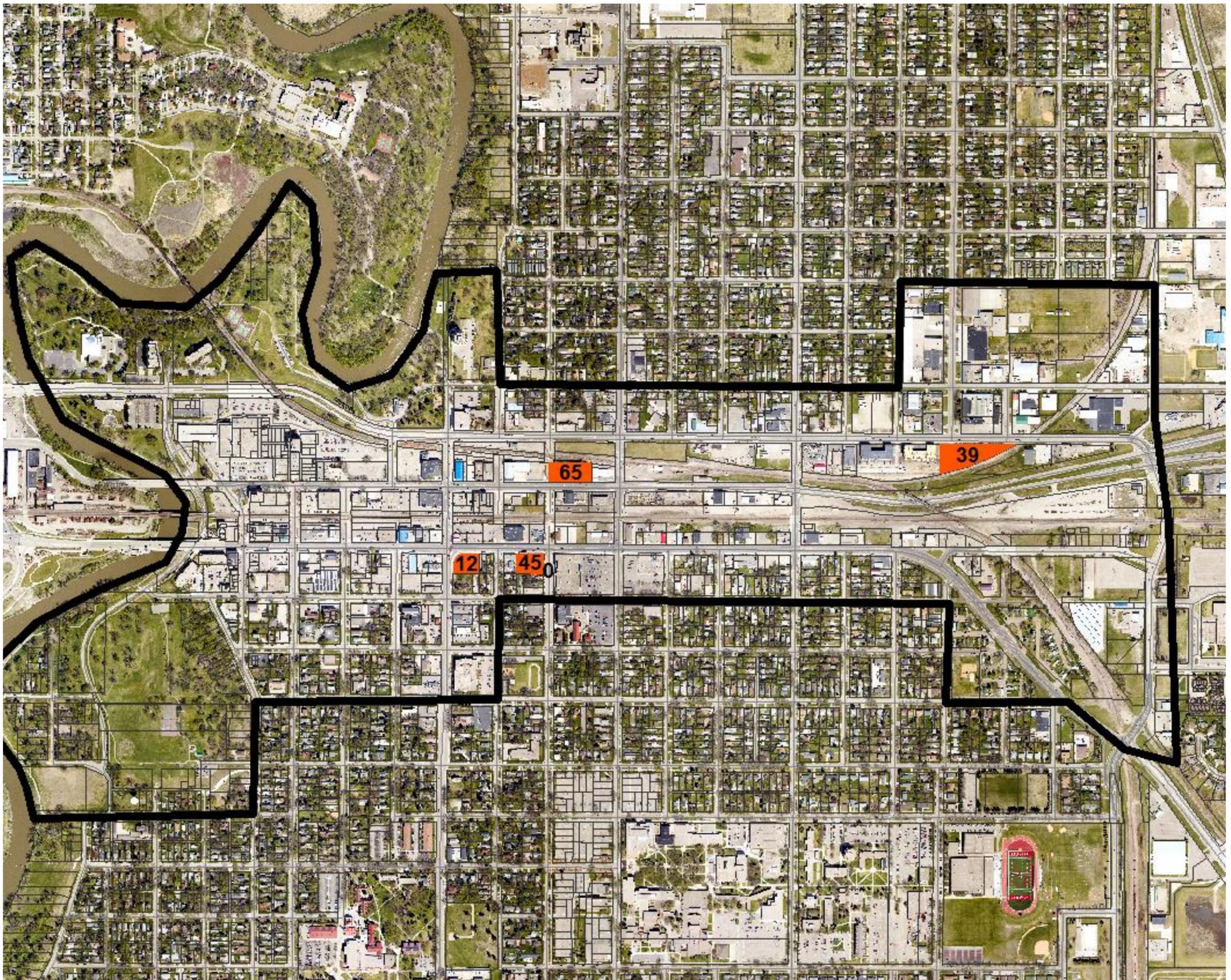
**What else is needed to reach our downtown housing goal?**


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## 500 in 5 Housing Goal:

*The City of Moorhead will encourage development of 500 additional downtown housing units in the next 5 years.*

**There are already building permits for 161 NEW UNITS in 2018!  
Where do you suggest more housing be located?**



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## Renaissance Zone Vision:

**Economic Vitality** - Provide an environment that will both strengthen current businesses and attract new commercial enterprises in order to build a sound economic base that is marked by sustainability and diversity.

**Housing Diversity** - Encourage sustainability in the downtown residential market by promoting the development of a variety of attainable housing options, enhancing the sense of community and neighborhood in the downtown area, and in general, increasing the area's attractiveness as a place to live, work and play.

**Vibrant City Center** - Make downtown Moorhead a desirable destination by creating a physical environment that is aesthetically pleasing and sensitive to the historic significance of the area, while also encouraging programs, activities and investments that will draw visitors and residents downtown. Vibrancy shall be viewed as conterminous with high density and activity generating uses as well as maxim use of a property and strong urban design principles.

**Unique Character** - Enrich our sense of community, respect our heritage and provide quality place for visitors, workers, students and residents.

## What visionary ideas that should be in Downtown Moorhead?




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**COMING  
SOON!**

**Upcoming Plans:**  
**Future Downtown Plan**

**Existing Plans:**  
**2018 Strategic Plan**

**Goal:** Target public investments and policies that promote private investments to create a vibrant and dense downtown.

## **2018 Arts and Cultural Framework Plan**

**PLACEMAKING** - Create places people want to gather.

**Goal:** Use arts and cultural elements to bring soul, life and people to a revitalized downtown core. Create elements that position downtown as a core gathering place.

**Objective:** Downtown Moorhead will have revitalized urban center, a downtown where people want to gather, known for its beauty and cultural vitality.

## **2009 Comprehensive Plan Update**

### **Vibrant Downtown**

Downtown is a gathering place for the community. Its interesting architecture, inviting landscape, connections to the Red River, mixture of uses and pedestrian experience make it a great place to live, work, shop, dine or just gather. Downtown Moorhead's identity draws people from the community and the region just for the experience or to satisfy a retail, economic, recreational or entertainment needs.

## **2007 Downtown Framework Plan Update**

1. Economic Vitality
2. Balanced Housing Choices
3. Vibrant City Center
4. Unique Character

### **Focus Areas:**

River-Oriented Development—Enhance and connect to Red River's beauty and evoke its rich heritage for recreation and entertainment

Town & Gown Development—Partner with education institutions and scholars

Corridor Development—Promote sense of place as integral part of Downtown experience

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## Hey, what's going on Downtown?

*Construction on Main underway and 500 more housing units in 5 years*

The City of Moorhead recently set a goal for downtown housing: 500 new units in the next 5 years. Around the country, interest in urban housing has grown exponentially. The millennial generation, empty nesters, people with vacation homes, and households of all kinds are excited about downtown city living. With housing underway in downtown and near-downtown Moorhead, the momentum has started. Everyone in Moorhead is eagerly watching the construction progress along Main Ave where two multi-story buildings will be open for occupancy later in 2018.

### Block E (801 Main Ave)

- Main floor: Usher's Restaurant and additional commercial space
- 2nd Floor: Eventide Corporate Headquarters
- 3rd & 4th Floors: 12 apartments



The building will have a public plaza for all to enjoy—right across from the iconic Moorhead Dairy Queen.

### 913 Lofts (913 Main Ave)

- 45 rental unit building
- Features balconies and enclosed parking next to Hombacher's



## Retail staple Herberger's closes—what's next?

Moorhead was so fortunate to have the Herberger's store as part of the Moorhead Center Mall since 1980 when it was still Eckstein's Department Store. Herberger's bought Eckstein's in 1983 and the Mall expanded its footprint in 1992—building a larger store. The City added the parking ramp at the same time. Locals and those beyond our city borders count Herberger's as their favorite department store, and it's unfortunate that the national chain has gone out of business.

There are many community conversations underway about the future of this space. Future plans for this privately-owned property are not known at this time.

### Center Avenue Retail (814 Center Ave)

- 10,400 square feet new and remodeled commercial/office/retail space
- Four bedroom residential rental unit with rooftop patio



### Just the beginning—coming soon on Center Ave

A street construction project is planned on Center Avenue from the Red River to 8 St during the 2019 construction season. While the road width will not be changing, design features will improve safety and traffic flow and encourage more pedestrian traffic.

A bit further to the east, the former Simon Warehouse at Center Ave and 10 St will be converted by Mutchler Bartram Architects (MBA) into 65 rental apartments while maintaining the historical significance of the 1923 brick building. Just to the west of the Simon building is the former Moorhead Armory. MBA intends to transform this building into an event center. Remodeling plans include removal of the metal siding and uncovering the original brick façade.



# CONCEPT DRAWINGS: Center Mall South Plaza



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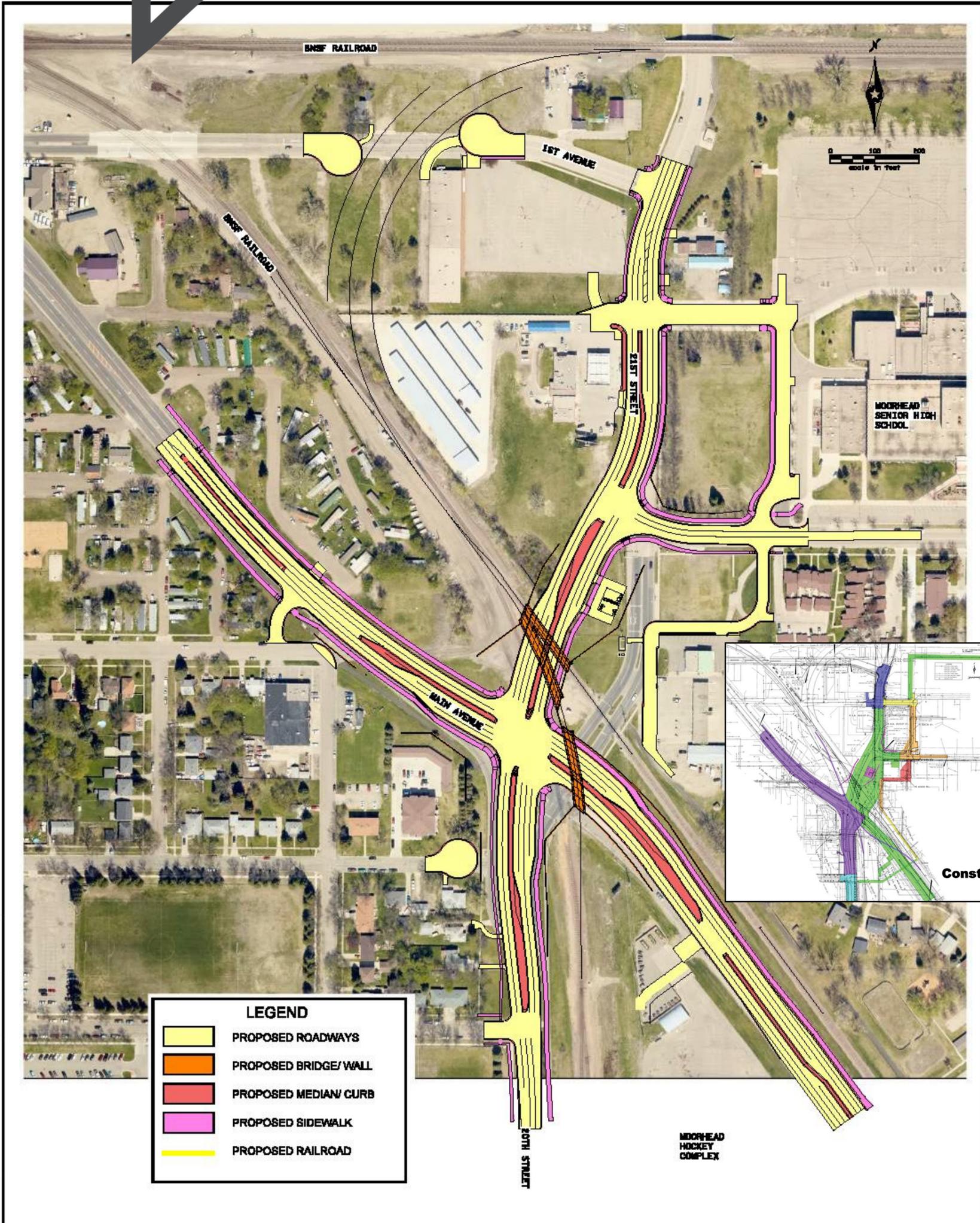


# Let's Talk Downtown

CONCEPT DRAWINGS:  
Center Avenue Looking East



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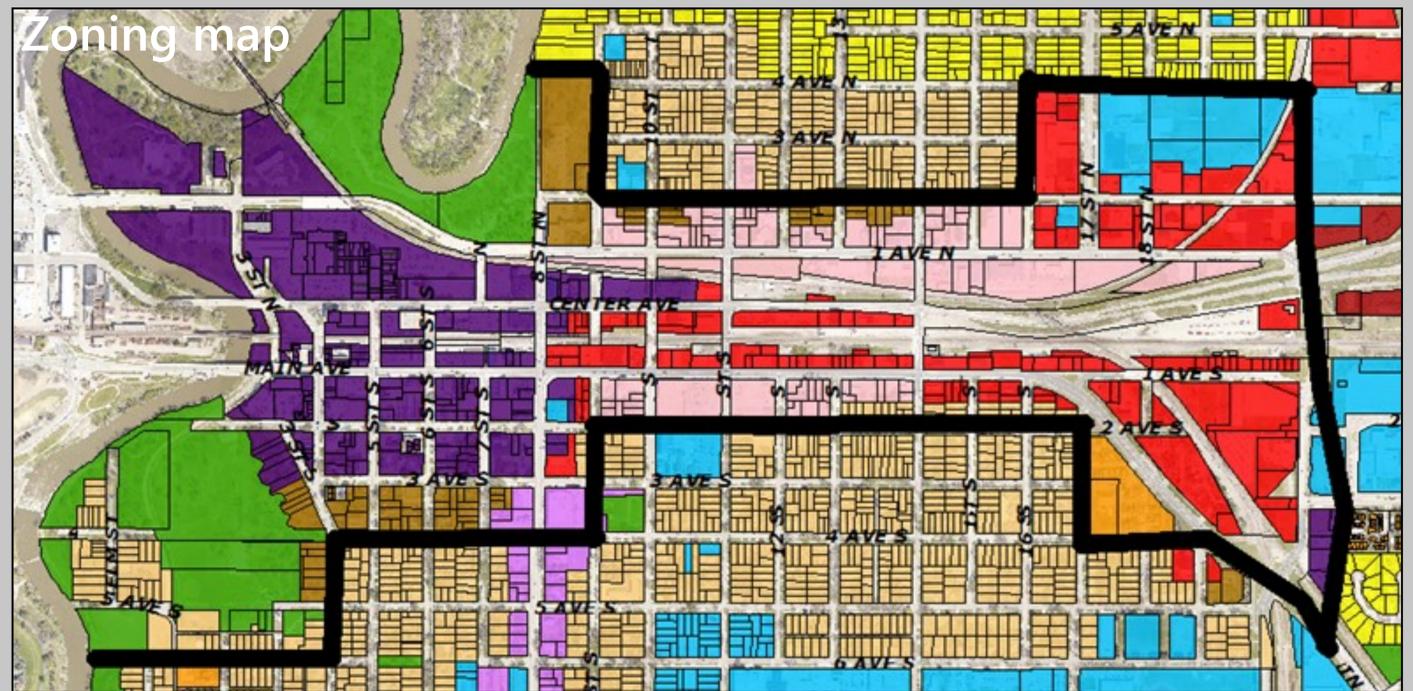
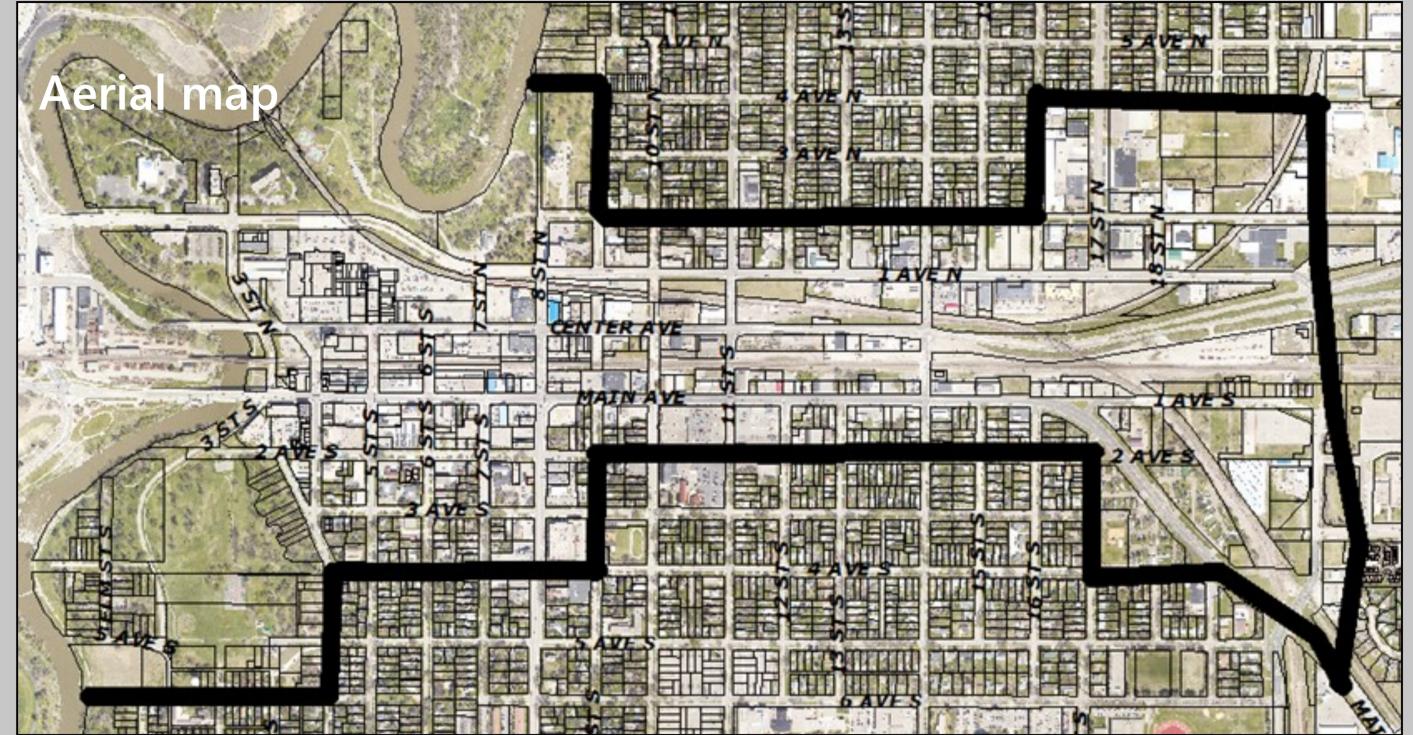


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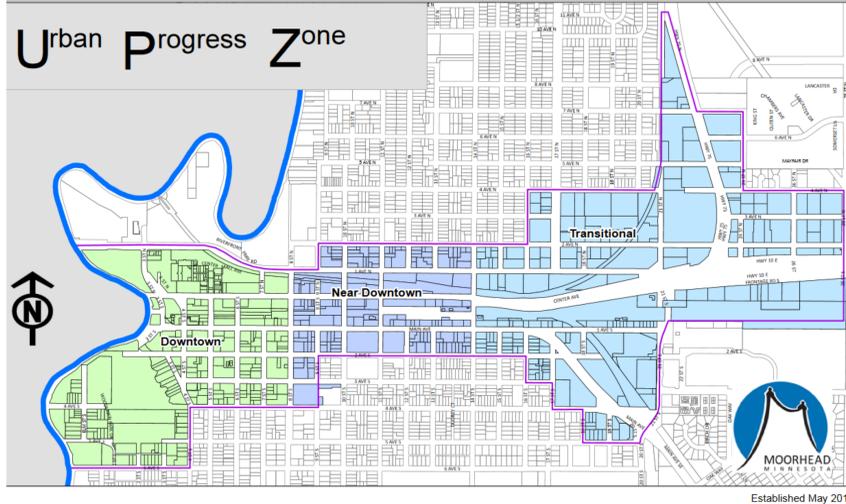
Where should the downtown incentive boundary be located?

## Draft Moorhead Renaissance Zone Incentives

Rehabilitation Cost per Sq. Ft.	New Construction Cost per Sq. Ft.	Exemption Term	Incentive as Percentage of Post-Project Value
\$30	\$75	5 years (@ 100%)	8%
\$80	\$125	10 years (5 years @ 100%; and 5 years at 75%)	14%
\$130+	\$175+	15 years (5 years @ 100%; plus 5 years @ 75%; and 5 years @ 50%)	18%



## Existing Downtown Moorhead UP Zone Incentives & Map



New Building Taxable Value	Full Time Equivalent Jobs (Min. created or retained)	Exemption Term (100% yrs. 1-5; 99% yrs. 6-10)	UP Zone Ramp UP
\$150,000-\$249,999	1	2 years	80-60-40-20
\$250,000-\$499,999	2	3 years	80-60-40-20
\$500,000-\$449,999	3	4 years	80-60-40-20
\$1 - 1.99 million	5	5 years	80-60-40-20
\$2 - 2.99 million	6	6 years	80-60-40-20
\$3 - 3.99 million	7	7 years	80-60-40-20
\$4 - 4.99 million	8	8 years	80-60-40-20
\$5 - 5.99 million	9	9 years	80-60-40-20
\$6 - 6.99 million	10	10 years	80-60-40-20
\$7 - 7.99 million	11	11 years	80-60-40-20
\$8 - 8.99 million	12	12 years	80-60-40-20
\$9 - 9.99 million	13	13 years	80-60-40-20
\$10 - 10.99 million	14	14 years	80-60-40-20
\$11 - 11.99 million	15	15 years	80-60-40-20
\$12 - 12.99 million	16	16 years	80-60-40-20
\$13 - 13.99 million	17	17 years	80-60-40
\$14 - 14.99 million	18	18 years	80-60
\$15 - 15.99 million	19	19 years	80
\$16 - 16.99 million	20	20 years	No ramp up



## Draft City-wide Property Tax Exemptions

STANDARD COMMERCIAL SCALE

New Building		Job	Term	Tax Benefit		Perc of Project	
Low	High	Goals*	Years	Benefit Low	Benefit High	Perc Low	Perc High
\$ 150,000	\$ 1,999,999	1 to 2	5	\$12,000	\$160,000	8.0%	8.0%
\$ 2,000,000	\$ 3,999,999	2 to 3	5	\$160,000	\$320,000	8.0%	8.0%
\$ 4,000,000	\$ 7,999,999	4 to 7	5	\$320,000	\$640,000	8.0%	8.0%
\$ 8,000,000	\$ 15,999,999	8 to 15	5	\$640,000	\$1,280,000	8.0%	8.0%
\$ 16,000,000	\$100,000,000	16+	5	\$1,280,000	\$8,000,000	8.0%	8.0%

\*1 job / \$1,000,000 NBV; Minimum 1 job

## Current City-wide Incentive Programs: Property Tax Exemptions

### Commercial - Industrial

A project which meets the minimum qualifications for jobs and new (assessed) building value shall receive a property tax exemption for the term shown on the table below. Land and existing improvement value remain taxable throughout the term. The first five years receive a 100% exemption and years 6 through 20 receive a 99% exemption (also known as payment in lieu of taxes - PILOT).

New Building Taxable Value	Full Time Equivalent (FTE) Jobs Minimum Created or Retained*	Term of Exemption 100% yrs 1-5; 99% yrs 6-20
\$150,000-249,999	1	2 years
\$250,000-499,999	2	3 years
\$500,000-999,999	3	4 years
\$1 - \$1.99 million	5	5 years
\$2 - 2.99 million	6	6 years
\$3 - 3.99 million	7	7 years
\$4 - 4.99 million	8	8 years
\$5 - 5.99 million	9	9 years
\$6 - 6.99 million	10	10 years
\$7 - 7.99 million	11	11 years
\$8 - 8.99 million	12	12 years
\$9 - 9.99 million	13	13 years
\$10 - 10.99 million	14	14 years
\$11 - 11.99 million	15	15 years
\$12 - 12.99 million	16	16 years
\$13 - 13.99 million	17	17 years
\$14 - 14.99 million	18	18 years
\$15 - 15.99 million	19	19 years
\$16 million and up	20	20 years

\*Minimum Wage Floor for 2018 is \$10.15

## Current City-wide Incentive Program: Workers Comp. Rebate

As part of Moorhead's Border City programs to assist with the cost disparity of doing business in Minnesota, the Workers Compensation Rebate Program reduces a portion of Moorhead business' worker's compensation insurance costs to support and retain existing Moorhead businesses.

## Current Incentive Program: Tax Increment Financing (TIF)

Blighted properties located within a designated district may be eligible for Tax Increment Financing incentives for developments that add a minimum of \$1.5 million dollars of new assessed building value, typically used to help remediate contaminated soils, or other brownfield development costs.

## Current Incentive Program: Restaurant & Housing with Services

Program to incentivize certain businesses with additional support: restaurants and housing with health-related services business types.

### Multi-Family Residential

The project must be newly constructed, a substantial expansion/rehabilitation of an existing facility or the conversion of an existing facility from a commercial or industrial use to a multi-family residential facility. Only building improvements are eligible for the property tax exemption. Land and existing improvements (unless demolished) remain taxable during the exemption period.

New Building Value / Unit	Exemption Amount	Term of Exemption
\$55,000 (minimum)	\$25,000 / unit / year	2 years
\$70,000 (minimum)*	\$25,000 / unit / year	4 years

\*Additional incentive if the project includes structured parking. Structured parking means a below ground garage or ramped parking and does not include at-grade parking garages.

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## Share your IDEAS!

*Please participate in a short online survey about  
Downtown Moorhead incentives.*

**Use the QR Code below to access the survey on your smartphone:**

