

THE REBIRTH OF DOWNTOWN

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Sometime in the past 10 years, downtown Fargo was reborn. An old city center that once saw plunging property values and merchants fleeing for malls is now witnessing rundown buildings being refurbished and new buildings being built. Opportunity is once again in the air. Much of that can be tied to a 1999 state law that allowed Fargo and other cities to create downtown renaissance zones. "There's a visible, discernable improvement in downtown," said Fargo Senior Planner Bob Stein. "The cumulative effect of the investment has been to upgrade the entire area in terms of safety, appearance and value." Stein estimates \$93 million in private investment has been made downtown. The city put more than \$8 million into infrastructure improvements on Broadway, he said. Another \$2.5 million in railroad

quiet zone work makes it possible to sell housing downtown, he said. Nonprofit entities also invested, Stein said. MeritCare Hospital spent \$55 million to expand its downtown campus, and North Dakota State University has spent \$15 million to buy, expand and remodel two buildings to house its College of Business (Barry Hall) and for architecture (Klai Hall). Dave Anderson, president of the Downtown Community Partnership, said the results have been transformative. "I think culturally and socially, for the community, it's provided a gathering place that we just didn't have," he said. "You can come

downtown and live. You can be entertained. You can go to school, and shop and work." Vital tax base The changes have also rebuilt a tax base vital to the city and Fargo School District, Anderson said. Several blocks in the Renaissance Zone have had building values increase 300, 400 and 500 percent since 2000, city records show. The block holding NDSU's Renaissance Hall (the former Northern School Supply), the Old Broadway entertainment complex, the 12 Broadway condominiums and other improvements had an 852 percent increase in value on buildings, city records show, rising from \$1.88 million in 2000 to \$17.9 million for 2009.

The block holding the 300 NP condominiums, the Vogel Law Firm and Keifer's Big Value store posted a 495 percent increase in value on its buildings, records show, going from \$1.8 million in 2000 to \$10.7 million in 2009. In all, building values in the Renaissance Zone rose from \$103 million in 2000 to \$218.5 million for 2009, records show, an increase of 111 percent. Property tax receipts for Renaissance Zone projects that were at \$400,000 in 1999 should be nearly \$2.2 million

by 2014, when the latest projects return to the tax rolls, records show. Extension sought The Legislature created renaissance zones in 1999, setting aside \$2.5 million in tax credits to spur revitalization statewide, Stein said. Another \$2.5 million in credits were later added to the pool, Stein said. There are also income tax credits for people who buy condominiums or apartments for use as residences. More than 40 communities now use renaissance zone funds, Stein and Anderson said. They said they'd like to see the next Legislature: • Expand the program from its original 15-year limit, which will end in five years. • Increase the pool of tax credits.

• Offer tax credits to utility companies to bury power lines. • Let cities move renaissance zones from fully developed blocks to blocks that need the incentive program. Kevin Bartram, owner of Mutschler Bartram Architects and an owner of Sterling Companies, both of Fargo, took on the 300 NP Avenue and the Historic Ford Building retail, office and condominium projects. "I just hope it keeps going," Bartram said of the program. "It's definitely helped the

more marginal projects." Two recent eye-grabbing Fargo projects were both spurred by Renaissance Zone incentives: the \$5.4 million 300 Broadway retail and condo project by the Kilbourne Group, and developer Mike Bullinger's \$18 million Cityscapes Plaza, retail and student housing project. Without the benefits from the state, "This kind of investment wouldn't have been possible," Anderson said. "The state and the community have benefited in a growth in tax valuations. But the whole community has benefited because we have a place that didn't exist 10 years ago." Readers can reach Forum reporter Helmut Schmidt at (701) 241-5583