

Block 9 Summary

The Block 9 Partners are building a \$117M project on the existing US Bank surface parking lot that includes an 18-story mixed-use tower, a community plaza for public use and a 379-stall parking garage. The project will include office space for more than 300 R.D. Offutt Company employees, a 125-key boutique hotel and restaurant, 7 residential condos, and up to 5 new retail businesses.



City of Fargo Economic Development Programs

Renaissance Zone (RZ): Years 1-5

- Residential condos will pay property taxes beginning year one, no property exemptions for the condos
- Retail, office, and hotel will receive RZ property tax exemptions during years 1-5

Payment in Lieu of Tax (PILOT): Years 6-20

- Retail, office, and hotel were approved for 15-year PILOT
- PILOT provides property tax exemption for mixed-use building

Tax Increment Financing (TIF)

- The TIF allows for the annual property tax paid by the project to be allocated to pay down City of Fargo bond payments for the plaza and parking garage

Public Benefits of Block 9

Today, this property pays only \$14,000 annually in taxes and will continue to pay this amount. At the end of construction in two years, this project will pay \$1.2M annually for infrastructure that benefits both the public and private uses of the project. That's 85 times more than current property taxes. When the economic incentive programs expire, the project will pay \$1.15 M in annual property taxes.

The immediate public benefits include public use of the plaza and parking, a public easement for 12 hours of evening parking and 24 hours on weekends.

Not a dollar of taxpayer money is going into this project and there is not risk for the city.

The City of Fargo is taking out a \$15M risk-free loan to finance the parking garage and plaza. The City is not responsible for paying back the loan; rather the loan is guaranteed to be paid back with interest by Block 9 Partners.

Plaza

- Winter activities to include outdoor ice skating and festivals
- Summer activities to include an interactive water feature, festival and market space
- Performance area to be part of plaza program
- Fargo Park to program more than 150 events a year
- Plaza Board of Directors includes City of Fargo, Fargo Parks, Block 9 residents, and Block 9 Partners

Parking Garage

- Public parking for community and visitors on weekends, evenings, and events

Skyway Connections

- Public skyway connection to be established with the new Block 9 parking garage and to remain between Radisson, US Bank, Gate City Bank, and Black Building