

# Tax Increment Financing Five-Year Rule Extension

Downtown Center Redevelopment Tax Increment  
Financing District No. 31

City of Moorhead

**HF5213**

**SF5238**



The City of Moorhead requests an extension of Tax Increment Financing (TIF) regulations to allow an additional five years of eligible construction (from 5 years to 10) to ensure the viability of Moorhead's downtown redevelopment and the long-term success of the district as it becomes a walkable, livable neighborhood.

## ► SIZE

**The total development area is 18 acres** that was the site of the 1970s constructed Moorhead Center Mall and large surface parking lots. Anchor store Herberger's closed nationwide in 2018. Mall is obsolete.

## ► SCOPE

**The project vision includes nearly \$500 Million in new development:** \$250M in housing (1300 units); \$57.9M in commercial space; \$105.9M in civic space, and 2,200 parking spaces.

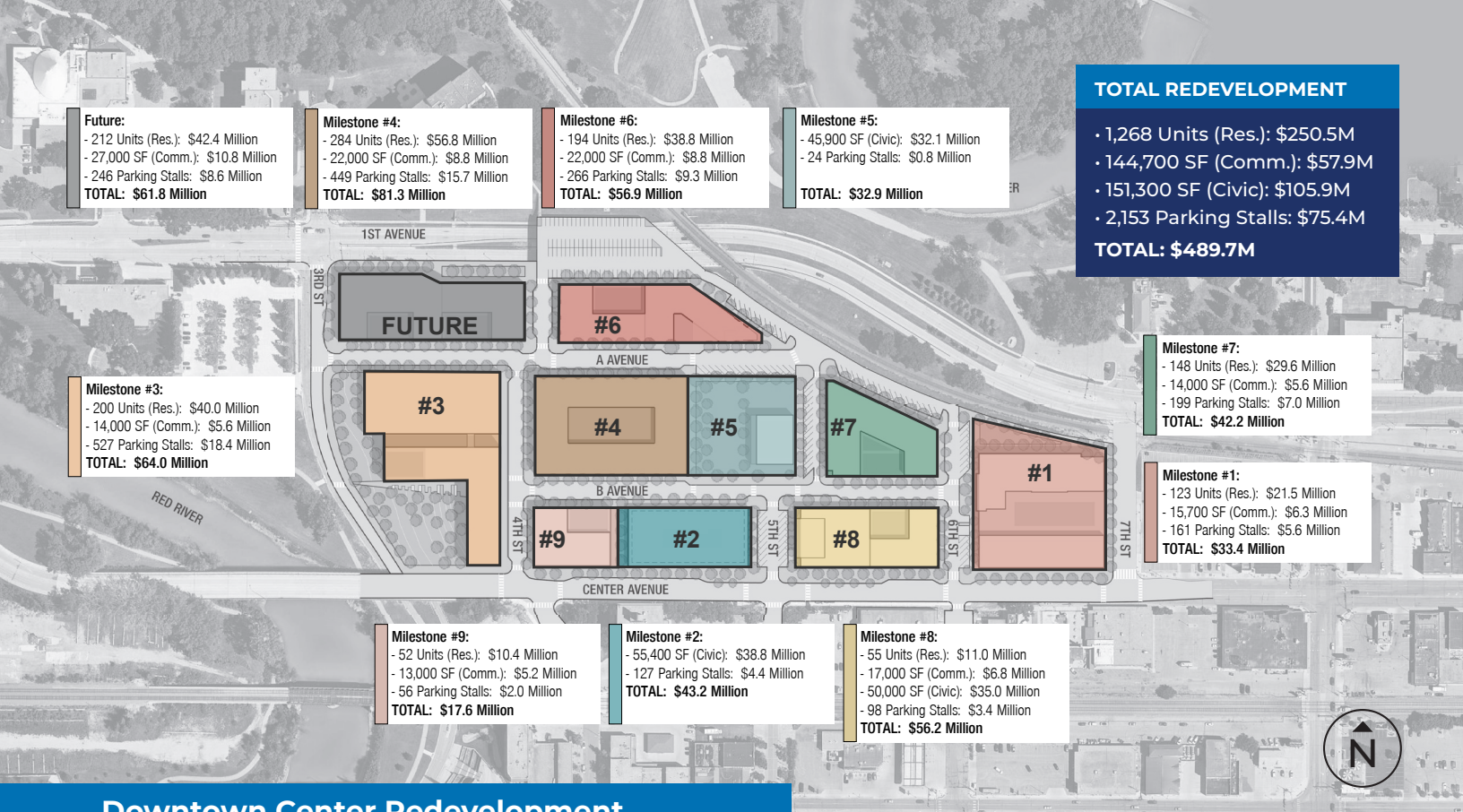
## ► STAGING/PHASING

**Ten projects ranging in value of \$17.6M-\$81.3M** must be constructed in phases. Staggering development allows market to absorb commercial/residential uses without flooding the market.



**FUTURE  
DOWNTOWN  
REDEVELOPMENT  
CONCEPT**





## Downtown Center Redevelopment

Milestone and Phasing Plan (2024-2034)



## REDEVELOPMENT PROGRESS

Planning \$700K	Acquisition and Relocation \$18.3M
COMPLETE	UNDERWAY (Nov. 2021-Dec. 2025)
Demolition (Phase I) \$1.529M	Preliminary Plat, Geotechnical Analysis
UNDERWAY	UNDERWAY
Public Plaza (Request for Qualifications for Design Services issued March 2024)	Infrastructure and Utilities (multiple phases)
UPCOMING	UPCOMING
Milestone Projects #1 and #2 Begin Summer 2024	
UPCOMING	

## CITY OF MOORHEAD CONTACTS



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Governmental Affairs Director  
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## County Commissioners

District 1 – Paul Krabbenhoft, Moorhead  
District 2 – Frank Gross, Dilworth  
District 3 – Jenny Mongeau, Moorhead  
District 4 – Kevin Campbell, Moorhead  
District 5 – David Ebinger, Moorhead



April 2nd, 2024

**Sen. Ann H. Rest, Tax Chair**  
**75 Rev. Dr. Martin Luther King Jr. Blvd.**  
**Capitol, Room 328**  
**St. Paul, MN 55155**

**Rep. Aisha Gomez, Tax Chair**  
**453 State Office Building**  
**St. Paul, MN 55155**

Dear Chair Sen. Rest and Chair Rep. Gomez,

On behalf of the Clay County Board of Commissioners, I am writing to express our support for the City of Moorhead's request to extend the Five-Year Rule for development activities within the **Moorhead Center Redevelopment Tax Increment Finance District No. 31**, allowing for a ten-year period of development activity.

As you are aware, a Tax Increment Finance District plays a crucial role in the financial strategy to facilitate the acquisition, demolition, and establishment of public infrastructure necessary to support the downtown vision. Under Minnesota law, the standard timeframe for new construction applicable to the increment for repayment of TIF expenses is five years. However, for the Moorhead Center Redevelopment, a five-year period is likely insufficient to complete all the necessary projects required to recover the amount of TIF-eligible expenses incurred by the downtown redevelopment initiative.

Extensive planning efforts, coupled with remarkable community engagement, have laid the groundwork for the downtown vision. The ambitious vision for Downtown Moorhead takes into account evolving consumer preferences and aims to revitalize the area. Extending the five-year TIF rule is a prudent measure to ensure the sustainability of this sizable TIF District and will enable the community to redevelop its downtown with businesses, housing, and services that will benefit Moorhead for generations to come.

Clay County is one of the fastest growing counties in the State of Minnesota. Not only is this project an important from an economic development position, but will also create additional residential units to meet the growing needs of our county.

Thank you for your thoughtful consideration of this matter.

Sincerely,

David Ebinger, Board Chair  
Clay County Board of Commissioners

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P (218) 299-5012 F (218) 299- 5195 claycountymn.gov





## Superintendent



1313 30th Ave. S., Moorhead, MN 56560



Phone: 218-284-3300



[www.isd152.org](http://www.isd152.org)



Fax: 218-284-3333

April 4, 2024

Dear Chair Gomez and Chair Rest:

Moorhead Area Public Schools is aware of and supportive of the City of Moorhead's request to extend the Five-Year Rule for development activities within the **Moorhead Center Redevelopment Tax Increment Finance District No. 31** to allow for ten years of development activity.

I serve on the Board of Directors of Downtown Moorhead Inc. and have been involved in the extensive downtown planning work our community has undertaken to develop the vision for downtown. Our downtown area, and the Moorhead Center Mall in particular, is significantly underutilized and has suffered as a result of national retail trends, including the closing of Herberger's Department stores around the country.

The bold vision for Downtown Moorhead takes consumer changes into consideration. I believe the extension of the Five-Year TIF Rule is prudent to ensure the viability of this large TIF District and will allow the community to redevelop its downtown with businesses, housing, and services that will serve Moorhead for generations to come.

Thank you for your consideration.

Sincerely,

Dr. Brandon Lunak, Superintendent  
Moorhead Area Public Schools