



TO: Mayor Tom Ross
Members of the City Council

FROM: Harold Stewart, City Manager

DATE: January 12, 2024

SUBJECT: **Minot Parking Ramp Rehabilitation and Expansion RFP Responses**

I. RECOMMENDED ACTION

A. Recommend Council accept the proposals, the recommendations of the review committee, and direct staff to proceed with negotiating a development agreement with Edgewood Real Estate Investment Trust to develop the Central Garage (Project 2-2023).

II. DEPARTMENT CONTACT PERSONS

Harold Stewart, City Manager 857-4750

III. DESCRIPTION

A. Background

The end of October 2023 responses were received providing proposals developing the two Downtown Parking Garages.

B. Proposals

1. EPIC

Proposals were received to develop both garages. EPIC could develop the Central Garage without developing the Renaissance Garage, however they cannot develop the Renaissance Garage without also developing the Central Garage.

Central Garage

Four (4) Stories, each 31,558 square feet with 36 apartment units on each floor. 15 units would be moderate income units. Renovate commercial lease space on the main floor. Residential amenities would include a community room, fitness room, game room, and two terraces with outdoor patio space.

Renaissance Garage

Renovate existing commercial space in the ramp. Build a 4 story IMAGINE Hotel by EPIC. The hotel will total 78,000 square feet. It would have 175 rooms, a 12,000 square foot convention center, and commercial space. Propose the City not locate the Transit Center in the existing retail space.

2. Edgewood

Central Garage

Five (5) stories, featuring 160 high end apartments. Amenities would include a shared club room, party room, rooftop patios, fitness center,

sauna, co-working spaces, and pet-friendly accommodations. Main floor commercial spaces will be renovated and leased.

C. Recommendations

Proposals were reviewed by a committee which included Ed Steckler (Commercial Realtor), Jason Bentley (Banker), Paul Pitner (Council), Lisa Olson (Council), Brian Billingsley (Community and Economic Development Director), Lance Meyer (City Engineer), and Harold Stewart (City Manager). Jonathan Rosenthal facilitated the meeting on December 7th but did not participate in the scoring of the proposals.

Recommendation from the committee was unanimous to proceed with Edgewood developing the Central Garage. This was recommended understanding doing so would mean EPIC would not be interested with moving forward developing the Renaissance Garage independently.

D. Other Considerations

Some other factors and considerations as part of the decision:

1. Impacts on the Transit Center relocation? Relocating would delay and increase cost of the project.
2. Availability of public and City employee parking Downtown? While some of the parking would be made available publicly, the vast majority of spaces would be utilized to meet the needs of residential, commercial, and potential hotel tenants and patrons. In the near future this would result in a lack of public parking Downtown, and the City potentially having to pay for parking garage access for City employees officed out of City Hall. Or City Employees would have to utilize limited downtown street parking, creating conflict with Downtown business owners.
3. Viability of a Downtown Hotel? The hotel would be a new brand created by EPIC and backed by a national brand. While it could be a nice hotel it will not have branding recognition of visitors and travelers. Staff's conversations with national brand hoteliers included communication from them the data wouldn't support them investing in developing a downtown hotel.
4. Challenges of the Convention space? Two other hotels in the community already provide convention space of the same size. Both are struggling and this would add an additional competitor.
5. Impacts on potential of development of other downtown properties? Edgewood owns the Bremmer Bank building west of the Central Garage and they could potentially develop both properties in a mutual development concept. EPIC owns and is developing the M Building and could potentially develop a mutual development concept.
6. Financial commitment from the City? EPIC would lease not purchase the garages from the City. Likely be a no cost lease to EPIC and would have a TIF request. Edgewood was interested in potentially purchasing the Central Garage from the City. Asking for a 15-year tax abatement.
7. Future impacts of Trinity properties Downtown? One current unknown of importance is what the old Trinity properties could be developed into. This will affect interest, demand, and value of the garages and potential development.
8. Federal obligations? Given the garages were funded with Federal funding the City will need to ensure proper compliance going forward.

IV. IMPACT:**A. Fiscal Impact:**

No immediate impact to the City. Potential for revenue to the City if developers agree to purchase the garage. Both proposals include the potential use of TIF. Potential property tax revenues and sales tax revenues from leased space and increasing values and traffic downtown.

V. CITY COUNCIL ASPIRATIONS**A. Dynamic and Flourishing****VI. ALTERNATIVES**

- A. Council could direct staff to proceed with negotiating a development agreement with EPIC for both garages
- B. Council could decide not to proceed with either garage
- C. Council could direct staff to conduct the RFP process again

VII. TIME CONSTRAINTS

Both developers are prioritizing projects and investments for the coming construction years, so the sooner a decision is made the sooner potential development could proceed.

VIII. LIST OF ATTACHMENTS

- A. Review Committee Scoring Sheet
- B. EPIC Central Garage Proposal
- C. EPIC Renaissance Garage Proposal
- D. Edgewood Central Garage Proposal
- E. RFP For Downtown Park Ramps