



**PLANNING AND DEVELOPMENT**

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**MEMORANDUM**

**TO:** Renaissance Zone Authority  
**FROM:** Derrick LaPoint, Planner  
**DATE:** August 17, 2017  
**RE:** Renaissance Zone Authority Meeting Agenda

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**RENAISSANCE ZONE AUTHORITY**  
**Wednesday, August 23, 2017 at 8 a.m. (City Commission Room)**  
**Agenda**

1. Approve Order of Agenda
2. Approve Minutes: Regular Meeting of April 26, 2017 (Attachment 1)
3. Review application from DFI Dillard LLC (New Construction) located at 223 & 229 Roberts Street North (Attachment 2)
4. Other Business

Renaissance Zone Authority meetings are broadcast live on cable channel TV Fargo 56 and can be seen live by video stream on [www.FargoND.gov/streaming](http://www.FargoND.gov/streaming). They are rebroadcast each Friday at 2:30 p.m. for one month following the meeting.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Planning Office at 701.241.1474 or TDD at 701.241.8258. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo Web site at [www.FargoND.gov/RenaissanceZoneAuthority](http://www.FargoND.gov/RenaissanceZoneAuthority).

**RENAISSANCE ZONE AUTHORITY  
MINUTES**

**Regular Meeting:**

**Tuesday:**

**April 26, 2017:**

The Regular Meeting of the Renaissance Zone Authority of the City of Fargo, North Dakota, was held in the City Commission Room at City Hall at 8:00 o'clock a.m., April 26, 2017.

The Renaissance Zone Authority members present or absent were as follows:

Present: Dr. Dean Bresciani, Commissioner Dave Piepkorn, Bruce Furness, Cari Luchau, Deb Mathern

Absent: Steve Swiontek, Commissioner Grindberg

Chair Mathern called the meeting to order.

**Item 1: Approve Order of Agenda**

Member Furness moved the Order of Agenda be approved as presented. Second by Member Peterson. All Members present voted aye and the motion was declared carried.

**Item 2: Minutes: Regular Meeting of April 5, 2017**

Member Bresciani moved the minutes of the April 5, 2017 Renaissance Zone Authority meeting be approved. Second by Member Furness. All Members present voted aye and the motion was declared carried.

**Item 3: Review application from Jade Companies (Rehabilitation) located at 18 13½ Street North: APPROVED**

Planner Derrick LaPoint presented this item noting this property is located on Block 53, which has added along with Block 52 to the City's Renaissance Zone Plan, upon approval of the City Commission at the April 24, 2017 meeting. Mr. LaPoint stated staff is recommending approval as the proposal does meet the guidelines and all required approval criteria.

Commissioner Piepkorn present.

The Board further discussed the following: the applicant's request for a storefront grant and if approved how those funds align with the RZ program requirements; staffs' open house held on March 21, 2017 to share the project's information with area property owners; and to correct the proposed motion verbiage to clarify the Renaissance Zone Authority recommends to the City Commission approval of these projects for final their approval.

Member Furness moved to recommend to the City Commission approval of the application submitted by 701 Collective LLC, and grant the property tax exemption and the State income tax exemptions as allowed by the North Dakota Renaissance Zone law, contingent upon completion of the project and verification of costs. Second by Member Bresciani. On call of the roll Members Piepkorn, Luchau, Furness, Peterson, Bresciani, and Mathern voted aye. Absent and not voting: Members Grindberg and Swiontek. The motion was declared carried.

**Item 4: Review application from Jade Companies (Rehabilitation) Located at 30 University Drive North: APPROVED**

Planner Derrick LaPoint presented this item. He noted staff is working with Engineering regarding the parking requirements for the DMU zoning classification. Mr. LaPoint stated staff is recommending approval as the proposal does meet the guidelines and all required approval criteria.

Commissioner Piepkorn asked about any concerns regarding contamination from the previous gas station located on this site. Applicant Jade Nielsen stated recent tests verified no contamination present.

Member Bresciani moved to recommend to the City Commission approval of the application submitted by 701 Collective LLC, and grant the property tax exemption and the State income tax exemptions as allowed by the North Dakota Renaissance Zone law, contingent upon completion of the project and verification of costs. Second by Member Luchau. On call of the roll Members Luchau, Peterson, Piepkorn, Furness, Bresciani, and Mathern voted aye. Absent and not voting: Members Grindberg and Swiontek. The motion was declared carried.

**Item 5: Legislative Update**

No update was presented at this time.

**Item 6: Other Business**

Mr. LaPoint noted staff is expecting Renaissance Zone applications for the May or June Renaissance Zone Authority meetings.

The time at adjournment was 8:20 a.m.



**Staff Report  
Renaissance Zone Application for  
DFI Dillard LLC (262-F)  
223 Roberts St N & 229 Roberts St N**

**Project Evaluation:**

The City of Fargo received a Renaissance Zone application from DFI Dillard LLC to construct a mixed-use commercial and residential building at 223 Roberts St N and 229 Roberts St N. Pursuant to the application, the intent of the project is to transform private owned surface parking lot sites into a mixed-use structure with ground floor commercial and 89 apartment units above.

The proposed building would be 6 stories in height and approximately 93,500 square feet. The applicant is also proposing to create a pedestrian connection between the adjacent Roberts Commons mixed-use parking structure and the apartment floors of the proposed building. The construction would begin September 2017 and the proposed timeframe of opening would be spring of 2019.

The Planning Department has reviewed the application and has provided a project ranking based on the analysis below.

**Lines 1:** Use consistent with the RZ Plan (as per Visions and Goals): As noted in the 2015 Renaissance Zone Development Plan the desired land use on Block 5 is identified as *the redevelopment for housing*. As proposed, the project will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:

1. *Activity Generator [goal]:* Develop activity generating enterprises along Renaissance Zone's major commercial corridors: Robert Street/2nd Avenue.

**Housing complex proposal will generate activity by replacing a surface parking lot with residential and commercial land uses.**

2. *Walkable Districts [goal]:* Create "walkable districts" that integrate a wide range of activities and land uses; thus encouraging on-street activity...

**The building structure will use design elements to create a walkable environment. The alley along the building will promote walking by providing retail services and serve as the location for the entrance to the residential units. Additionally, the commercial storefronts will be provided along the street.**

3. *Ground Floor Uses [goal]:* Reserve ground floor land uses to those that will encourage streets to come to life – shops, offices, cafes, restaurants and other "public" facilities.

**The ground floor will provide commercial uses along Roberts Street and the alley.**

4. *Neighborhood Center [goal]:* Make "Broadway" Fargo's "Main Street" – a pedestrian-friendly, mixed-use magnet that anchors downtown neighborhoods.

**The Dillard project would contribute to the large project as a whole (Roberts Commons and Kessler) by changing the built environment from underutilized surface parking lots to mixed-use buildings.**

5. *Urban Design [goal]:* Projects will embody strong urban design principles inclusive of building massing and form, building materials, pedestrian orientated design, streetscape, building orientation and recognition of the importance of defined block corners, architectural style, high building coverage percentages, limited setbacks or downtown district appropriate setbacks, design longevity and street level transparency.
6. *Transportation [goal]:* Manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial developments and will make the entire area more user-friendly.

**The proposed project is located in close proximity to a public transit stop and would provide an area to house dumpsters to improve pedestrian and vehicular circulation in the alley.**

7. *Safe Streets – Safe Neighborhoods [goal]:* Encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets.

**The proposed development would intensify the use of the area and provide a larger capacity of surveillance of the area.**

8. *High Quality Housing [goal]:* Continue to encourage the production of unique high quality housing that is developed in areas targeted for residential development or as a component of a mixed-use project.

**The proposed residential units will add to the high quality housing stock of the downtown area.**

9. *Infill [goal]:* Encourage and actively pursue projects that increase the productivity of underutilized property such as surface parking lots, vacant land and parcels with low building to land value ratios. Infill projects shall conform and be consistent with urban design principles as set forth in Goal 5, above..

10. *Housing Amenities [goal]:* Integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones.

**The location of the building will be in close proximity to amenities provided on Broadway North. The applicant is contemplating amenities for the residential use as well.**

11. *Downtown Entryways [goal]:* Enhance auto entry experiences with landscaping improvements to all major corridors (Broadway, Roberts St, 1st/NP Avenue, Main Avenue) and gateway statements at Broadway/Main Avenue, Broadway/6th Ave N, 1st Avenue/Red River, Main Avenue/Red River and Main Ave/10th Street N.

**The proposed housing complex would enhance the auto entry experience on Roberts Street.**

12. *The Place to Be [goal]:* Make downtown the entertainment/cultural/recreational center of the city... Make downtown a key destination for visitors/conventioners and a key destination for residents.

**The proposed project would be a component of the overall vision of an active alley behind the building. The active alley would strive to create a unique experience where social and entertainment services would be provided.**

13. *A Place Like No Other [goal]:* Highlight the unique historic character of the Renaissance Zone by placing a high value on historic preservation and overall awareness of the history of the area.

**The project would promote the increase of pedestrian activity in the alley to increase the utilization of the historic buildings in the general area.**

14. *24 Hours a day – 7 Days per Week – 365 Days a Year [goal]:* Design spaces, facilities and features that will attract people to the area both day and night, on weekdays and weekends, and during all seasons of the year.

**This location will be activated 24 Hours a day – 7 Days per Week – 365 Days a Year, by allowing for the constant activity produced by the residents who live in the units and consumer activity generated by the commercial services on the ground floor and alley.**

15. *Connections and Coordination [goal]: ... Strong connections between people, places and things to do are vital to creating a strong sense of community.*

**The mixed-use design of the project would promote and contribute to pedestrian mode activity that would result in enhanced connectivity.**

(18/20 points)

**Line 2:** Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan? [note that for mixed-use projects the total square footage should be dissected into commercial and residential totals for comparison to minimum investment thresholds]:

**Pursuant to City of Fargo Renaissance Zone standards, in order to qualify for consideration, a project must meet a minimum \$40 per square foot capital improvement threshold for commercial rehabilitation and \$100 per square foot for any new construction.**

**According to the application, the structure accommodates 93,500 square feet, as follows:**

**Lot Size: 21,733 SF**

**Proposed Building Total: 93,500 SF**

**Overall, the application estimates a total capital investment of \$13,400,000, which calculates to approximately \$143.00 per square foot.**

(10/10 points)

**Line 3:** The new construction or proposed improvements are representative of “High Priority Land Uses” as defined by this RZ Plan (see pg. 29).

**Primary Sector Business: N/A**

**Active Commercial, Specialty Retail or Destination Commercial: The proposed project will produce a new building on a previously vacant and underutilized lot in Fargo’s downtown core and increase activity on an underutilized block.**

**Mixed Use Development: The proposed uses will include retail and residential apartments in one building structure.**

**Large, upscale residential units: The proposed residential development will include 89 units.**

(18/20 points)

**Line 4:** The investment is located in a “Targeted Area” as defined by this RZ Plan (see pg. 29)? Consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance (see spreadsheet).

- 1) Parcels that have been vacant or underutilized for an extended period of time:

**This site has been a surface parking lot for a number of years as a result of several building demolitions.**

(5/5 points)

- 2) Parcels specifically targeted for clearance:

**The RZ Plan designates Block 5 as being appropriate for the redevelopment of housing.**

(5/5 points)

(10/10 points)

**Line 5:** The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation?:

**This project will enhance public space with pedestrian activity and streetscape amenities by providing a mixed-use infill project along with outdoor seating areas.**

(10/10 points)

**Line 6:** Consideration and analysis as to the total actual investment in the project?

**As proposed, the redevelopment project and improvement costs significantly exceed both the 50% (true and full value of the building) and \$100 per square foot requirement. As previously noted, the application represents a total estimated investment of \$13,400,000.**

(10/10 points)

**Line 7:** Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community?:

**The project does not involve the movement or relocation of a business from another North Dakota community.**

(10/10 points)

**Line 8:** Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?:

**This property is located outside the boundary of the Downtown Historic District.**

(10/10 points)

**Summary:**

**This application received a score of 96 on a 100-point scale. The applicant met all required criteria and the use is consistent with the RZ Plan. In addition, the proposed new construction project surpasses the local capital improvement requirement of \$40 per square foot for a commercial rehab and \$100 per square foot for new construction.**

**This project is consistent with the RZ Plan to provide a mixed-use development within a target area that acts as an activity generator by providing for residential units and street-level retail activity.**

**The amount invested in the project exceeds state and local guidelines. The project does not involve the relocation of commercial businesses from another North Dakota city. The applicant will not be seeking any historic preservation tax credits, however the applicant has secured TIF financing to aid in the new construction.**

**This project will make use of a lot that is currently underutilized. Staff believes that this project will be a benefit to the downtown community and will positively contribute to the health of surrounding businesses.**

**Suggested motion:**

**Recommend approval to the Fargo City Commission to approve the application submitted by DFI Dillard LLC and to grant the property tax exemption and the State income tax exemptions as allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.**

Minimum Criteria (Proposals involving the purchase of income-generating property)			
		Possible Points	Staff Rating
1	Use consistent with the plan (as per Vision and Goals)	20	18
2	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	10	10
3	The new construction or proposed improvements are representative of “High Priority Land Uses” as defined in the RZ Plan: <ul style="list-style-type: none"> <li>• Primary sector business</li> <li>• Active Commercial, Specialty Retail and/or Destination Commercial</li> <li>• Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)</li> <li>• Large, upscale residential units</li> </ul>	20	18
4	The investment is located in a ‘Target Area’ as defined by the RZ Plan: <ul style="list-style-type: none"> <li>• Parcels that have been vacant or underutilized for an extended period of time</li> <li>• Parcels specifically targeted for clearance</li> </ul>	10	10
5	The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation: <ul style="list-style-type: none"> <li>• Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration</li> <li>• Demonstrated commitment to strengthening pedestrian corridors and issues of "connection"</li> <li>• Attention to streetscape amenities</li> <li>• Contribution to street activity</li> </ul>	10	10
6	Consideration and analysis as to the total actual investment in the project: <ul style="list-style-type: none"> <li>• Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment)</li> </ul>	10	10
7	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: <ul style="list-style-type: none"> <li>• Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority</li> <li>• Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority.</li> </ul>	10	10
8	Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective? <ul style="list-style-type: none"> <li>• Although not included in the Project Review Guidelines, historic preservation is considered an important component of downtown projects even when Historic Preservation and Renovation Tax Credits are not being requested.</li> </ul>	10	10
<b>Total Rating (100 possible points)</b>		<b>100</b>	<b>96</b>





**Subject Properties**

7 ST N

5 ST N

BROADWAY N

4 AVE N

7 ST N

3 AVE N

ROBERTS ST N

2 AVE N

5 ST N

1 AVE N

7 ST N

NORTHERN PACIFIC AVE N

# CITY OF FARGO

## RENAISSANCE ZONE PROJECT APPLICATION

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### REHABILITATION OR PURCHASE (NEW CONSTRUCTION)

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***Attn: This application must be approved by all local and state review entities prior to beginning rehabilitation work.***

1. Street address, legal description, and Renaissance Zone Block number of proposed project. If the proposed project involves more than one parcel, please provide relevant information for each parcel.

223 Roberts St N  
7 & N 20 FT OF 8, Block 3, Roberts Addition  
PIN - 01-2381-00530-000

229 ROBERTS ST N  
25 THRU 27, PLAT 2, Block 3, S G Roberts Plat #2  
PIN - 01-2460-00220-000

Renaissance Zone Block 5

2. Current property owner(s).

DFI Dillard LLC

3. Name of applicant(s), mailing address, Federal ID number or SSAN, and type of entity (partnership, LLC, S-corporation, etc.).

DFI Dillard LLC  
210 Broadway, Suite 300  
Fargo, ND 58102  
Tax ID Number:

4. Current use of property

The property is privately owned surface parking lots.

5. Square footage of the lot and of the building (list each floor separately)

223 Roberts St N – 10,753

229 Roberts St N – 10,980

**Describe the impact this project has on any historical properties**

The subject properties contain only surface parking lots, but historically were the site of row homes, which were later replaced with a series of small single-family homes. A lumber yard was also located along the alley on the east side of the parcels.

**Type of project (purchase, rehabilitation, lease, purchase with major improvements, historic preservation and renovation, or a combination).**

New construction

6. Project Description.

The Dillard project consists of two quarter-acre parcels located at 223 and 229 Roberts St. This site is located directly north of the Roberts Commons mixed-use parking garage and south of the Herald Square apartments.

This 93,500 SF mixed-use project will include a structural steel podium with five levels of wood frame construction above built upon a deep pile foundation. The ground floor is designed for commercial space and will have a 22 foot ceiling. The tall first floor will allow the apartment floors to align with the adjacent Roberts Commons Parking Garage and potentially allow access into the garage. The five upper floors will be market rate apartments. We are investigating amenities such as a bike room, dog washing station, and terrace, but in general feel the building's location and proximity to Broadway serve as its biggest amenity.

A 20 foot-wide pedestrian focused corridor will be created on what would align with 3rd Ave N between this project and the Herald Square apartments. The main entrance to the Dillard apartments and retail storefronts will be located along this privately-owned alley to help activate the space. This “private drive” will serve as a secondary outlet for vehicles on Roberts Alley, but the space will be designed first and foremost for pedestrians. The ground floor along Roberts Street, Roberts Alley, and the 3rd Ave alley will all be designed for commercial space.

7. Please provide a break out of “capital improvements”, as defined in Attachment B, and justification that the project will meet the City’s investment guidelines.

Also describe anticipated tenant mix and the expected date of occupancy, completion, lease, or rehabilitation.

- \$13.4M investment resulting in \$143 per square foot of construction costs.
- Anticipated start September 2017
- Anticipated opening Spring 2019
- 89 units – majority being alcoves, 1 and 2 bedrooms, with a handful of 3 bedrooms

8. Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible (see Attachment C)

#### Activity Generators

Pedestrian friendly public realms fundamentally must be inviting, safe, and generate trips with a purpose. To make the space inviting requires buildings to frame the street to create an outdoor room and the buildings must have frequent doors and windows facing the sidewalk. The environment needs to be safe. Designing pedestrian friendly streets to slow traffic helps accomplish this. In addition, people feel safer in public spaces when other people are present. Finally, purposeful walking needs useful trips, which is accomplished by mixing different land uses (work, shop, live, play) in a compact environment. When the built environment achieves all three (inviting, safe, and convenient) then a person will walk by choice.

With this in mind, it’s apparent the project site has historically created a dead zone for pedestrian activity. Pedestrians are only present as they enter and exit their cars. The site lacks a “sense of place” because no buildings frame the streets and the lack of buildings provides nothing to see or do. This combination creates an environment that people simply avoid because it’s void of activity and others.

Dillard, and the adjacent under-construction Roberts Commons, will substantially increase the activity in this area. The Dillard infill will replace a surface parking lot with 89 residential units and ground floor retail activating Roberts St, Roberts Alley, and the 3<sup>rd</sup> Ave pedestrian corridor.

#### Walkable Districts.

The ground floor will feature retail with entrances and large amounts of glass, both critical design elements for creating an interesting environment. Roberts Alley will also include ground floor retail and our early designs plan for a restaurant along the alley to act as an anchor and destination to attract pedestrians. The primary entrance for the residential units will be located along the new 3<sup>rd</sup> Ave alley. Historically the surface parking lots have been used by pedestrians walking towards and away from Broadway. With the construction of Roberts Commons, an east-west corridor has been created by construction fencing and it’s apparent this provides a useful connection to Broadway. As such, this corridor will be maintained and strengthened by lining it with commercial storefronts and the apartment entrance.

#### Ground Floor Uses

The ground floor will contain commercial spaces along Roberts St, Roberts Alley, and the 3<sup>rd</sup> Ave corridor.

#### Neighborhood Center

Dillard, Roberts Commons, and future Kesler projects will substantially change the built environment along Roberts Alley, 2<sup>nd</sup> Ave, and Roberts St. It’s our hope the replacement of surface parking lots with mixed-use buildings will enhance this important, but currently underutilized area.

#### Transportation Issues

Second Ave, 300 feet to the south of Dillard, is served by MatBus Routes 13, 13U, and 17. NDSU students generate significant activity in this area, as many of them use Roberts St as a bike thoroughfare to Renaissance Hall. Many students also frequently pass by the Roberts St and 2<sup>nd</sup> Ave intersection to board the bus at Klai Hall. The Dillard project will include an area to house dumpsters that allows for better vehicular and pedestrian movement through the alley.

### Safe Streets – Safe Neighborhoods.

The redevelopment of this block will further enhance the natural human surveillance by replacing a surface parking lot with an active ground floor of mixed retail. There are approximately 5,000 residents living in downtown, the majority being the result of NDSU's downtown expansion in the last decade. Those familiar with downtown Fargo's progression are fully aware of the new life that has been breathed into downtown with the increase in the number of its residents. The introduction of residential units with this project will further expand downtown's population and provide much needed foot traffic and activity in this area. Siting a restaurant in the alley, active ground floor retail (including the alley), and the upper floors filled with a variety of different living options will help fill this area with activity and "natural surveillance."

### High Quality Housing

Dillard will include 89 units with the majority being alcoves, one and two-bedroom, with a few three bedrooms. These units will be geared toward students, young professionals, "renter by choice," and empty nesters with a variety of different configurations and price points.

### Housing Amenities

We are investigating amenities such as a bike room, dog washing station, a pedestrian connection to Roberts Commons parking garage, and terrace, but in general feel the building's location and proximity to Broadway serves as its biggest amenity. The block of Broadway to the east is a "Walkers Paradise", per Walk Score®, and the benefit of living in a mixed-use environment cannot be overemphasized as the most important amenity for these residents.

### Downtown Entryways

Roberts St, one of the identified corridors in the Renaissance Plan, will be improved with this mixed-use development. The streetscape, public realm, and built environment will create a much-improved experience for those on foot and in their vehicles. This street has also been identified by the Fargo InFocus downtown masterplan as retail street.

### The Place to Be

The reinvention of Roberts Alley to a pedestrian oriented public realm could position this corridor to become a unique and sought after experience. The Alley Fair has shown how alleys can become a place for socializing and entertainment. Activating Roberts Alley with ground floor retail, restaurants, and a pedestrian friendly design can turn elements of the Alley Fair events into a daily experience.

### A Place Like No Other

The area surrounding this block contains some of downtown's most iconic buildings and one of Fargo's highest concentrations of historic buildings. The infill of these parcels will greatly improve this prominent, yet generally overlooked area. The inclusion of retail along the alley, with a goal of creating a space for a restaurant with outdoor seating is meant to provide an anchor for Roberts Alley and draw pedestrians into this corridor. It's our hope to transform Roberts Alley into a unique, one of kind experience attracting visitors to downtown.

### Spruce up the area

Our research has revealed that this area was first developed with residential dwellings as early as 1884. From approximately 1910-1952, dwellings existed on the western portion of the site. A lumber shed existed on the eastern portion of the site during this same time period. The site has been used as a paved parking lot since at least 1976. The project will mark the first time this entire area has been fully built out.

### 24 hours a day – 7 days a week – 365 days a year.

This location will be activated during working hours from the ground floor retail. The 90-100 residential units of this project will activate this area throughout the day as well as during the evenings and weekends. The redesign of Roberts Alley into a pedestrian friendly corridor will make it more inviting and a unique destination to spur activity.

### Connections and Coordination.

This project will be thoughtfully designed to enhance the walkability of this area. The surface parking will be replaced with a mixed-use building with active ground floor retail and a design that encourages walking (frequent doors, high percentage of glass, and pedestrian scale design).

## **9. Extent of the exterior rehabilitation (demonstrated improvement to "public" face of building) – include plans and/or renderings, if available**

The project will consist of all new construction. Please see the attached renderings of the project.



10. Describe how the project fits under the Zone's development guidelines (Attachment D)

High Priority Land Use

This project meets the guideline of high-priority land use by creating a mixed-use development with active ground floor retail space and quality apartments.

Target Areas

The majority of this site has been underutilized since the 1970s. One-hundred percent of the site is currently surface parking.

Public Space

The public realm will be greatly enhanced with this mixed-use infill project. A ground floor filled with retail will make the sidewalks along these projects much more interesting and inviting. The initial plans provide a small outdoor seating area along Roberts Alley for the area planned as a restaurant.

Investment

This project represents a \$13.4M investment, resulting construction cost of \$143/SF, which exceeds the Renaissance Zone's minimum of \$100/SF.

Relocation

The project is anticipated to contain only new businesses in the ground floors and the upper floors will provide a variety of housing options.

11. List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.

This project is part of the City-initiated TIF Financing District No. 2015-03. This TIF was created to pay for the Roberts parking garage and necessary street and infrastructure upgrades. The project will not pursue any other economic development incentives. The project funding will be 75% financed and 25% privately funded.

12. Estimated tax impact of Zone incentives to the applicant: List the current true and full value of the building, the current annual property tax on the building, the estimated value of the building after improvements have been completed, and the estimated five-year impact. Estimate the potential annual income tax savings.

This property is currently a parking lot and the assessed value of the land and improvements is \$131,000 and \$35,000, respectively. The Renaissance Program would abate property taxes for the only the value of the improvements. As such, the estimated current taxes are \$2386.33, and if the Renaissance Zone incentive was approved the property taxes are estimated at \$1883.19, an annual difference of \$503.14.

Current true and full value: \$166,000 (\$35,000 for building/improvements)

Current annual property tax on building (2016): \$2,173.02

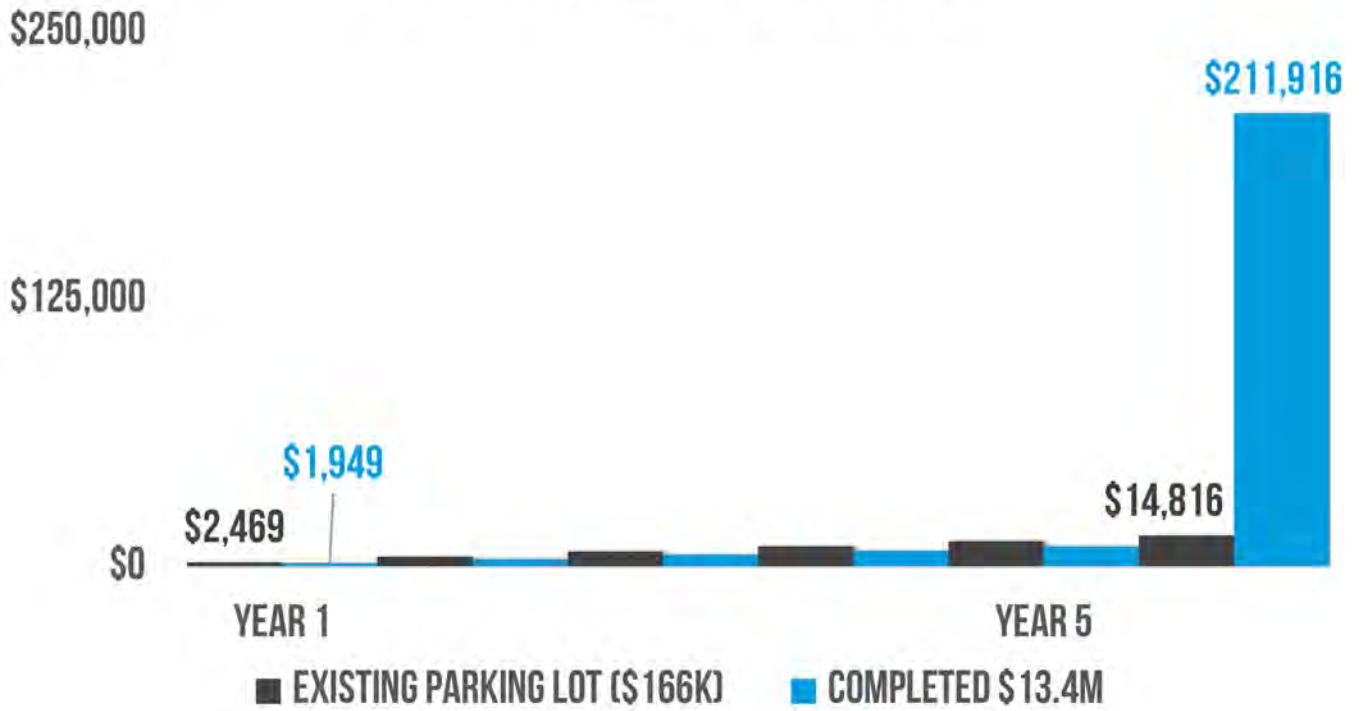
Estimated value of the buildings after improvements: \$13,460,000\*

Estimated five-year impact: \$967,471.15 (287.51 Mill Levy)

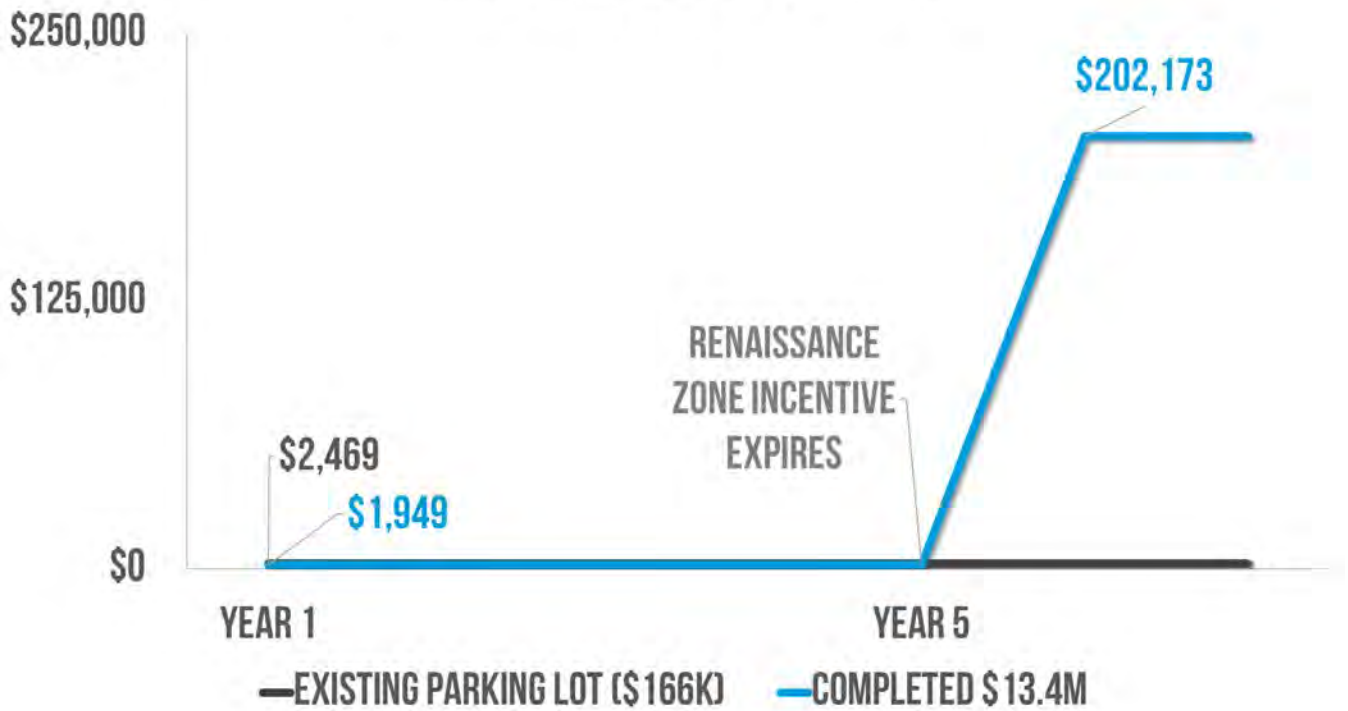
Potential annual income tax savings: \$1,000

\*Construction Costs

## DILLARD CUMULATIVE PROPERTY TAX GROWTH



## DILLARD ANNUAL PROPERTY TAX REVENUE



13. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (see Attachment E) and receipt showing proof that local taxes have been paid.

*Request has been submitted to the State.*

**Submit Project Proposals to:**

Department of Planning and Development, 200 N 3<sup>rd</sup> Street, Fargo, ND 58102

Phone 701-241-1474

**DFI Dillard, LLC**

**Renaissance Zone Application**

Project Cost Estimate for Capital Improvements

Project: Dakota Block, 223 & 229 Roberts St Fargo, ND 58102

**Planned Improvements**

Improvements	\$ 13,460,000
	<u>\$ 13,460,000</u>

Notes

Soft costs have been allocated to each line-item

**NEW CONSTRUCTION**

**At least \$100/SF in capital improvements**

Total Planned Capital Improvements	\$ 13,460,000
Total Square Feet	93,506
Planned Capital Improvements/SF	\$ 143.95











