



PLANNING AND DEVELOPMENT

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MEMORANDUM

TO: Renaissance Zone Authority
FROM: Derrick LaPoint, Planner
DATE: September 20, 2017
RE: Renaissance Zone Authority Meeting Agenda

RENAISSANCE ZONE AUTHORITY
Wednesday, September 27, 2017 at 8 a.m. (City Commission Room)
Agenda

1. Approve Order of Agenda
2. Approve Minutes: Regular Meeting of August 23, 2017 (Attachment 1)
3. Review application from DFI BG LLC (Rehabilitation) located at 115, 117 and 119 Broadway 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. 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.

RENAISSANCE ZONE AUTHORITY MINUTES

Regular Meeting:

Wednesday:

August 23, 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., Wednesday, August 23, 2017.

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

Present: Dr. Dean Bresciani, Commissioner Tony Grindberg, Cari Luchau, Deb Mathern, Commissioner Dave Piepkorn, Steve Swiontek

Absent: Bruce Furness, Chad Peterson

Chair Mathern called the meeting to order.

Item 1: Approve Order of Agenda

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

Item 2: Minutes: Regular Meeting of April 26, 2017

Member Bresciani moved the minutes of the April 26, 2017 Renaissance Zone Authority meeting be approved. Second by Member Piepkorn. All Members present voted aye and the motion was declared carried.

Item 3: Review application from DFI Dillard LLC (New Construction) located at 223 and 229 Roberts Street North: APPROVED

Planner Derrick LaPoint presented this item for a proposal to construct a mixed-use commercial and residential building at this site. Mr. LaPoint stated staff is recommending approval as the proposal does meet the guidelines and all required approval criteria.

Member Luchau present.

Member Grindberg absent.

Project Manager Mike Zimney, Kilbourne Group, spoke on behalf of the application.

Board discussion ensued regarding the proposed pedestrian connection and future parking plans for residents to the adjacent Roberts Commons Parking Garage, possible impacts on surrounding business owners, and a brief review on the history of the properties ownership.

Member Bresciani moved to recommend to the City Commission approval of the application submitted by DFI Dillard LLC, and to 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 Swiontek. On call of the roll Members Piepkorn, Luchau, Swiontek, Bresciani, and Mathern voted aye. Absent and not voting: Members Furness, Grindberg, and Peterson. The motion was declared carried.

Item 4: Other Business

Mr. LaPoint reported on a proposal submitted by the Kilbourne Group to establish a name for a public alley to "Roberts Alley", between 4th Avenue North and north of NP Avenue. He stated this item will be on the consent agenda for the August 28, 2017 City Commission meeting.

Mr. LaPoint also noted staff would like to organize a tour for Board Members of new projects recently developed in the downtown area. He will work on scheduling a date and time, and will email this information once it is determined.

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



**Staff Report
Renaissance Zone Application for
DFI BG LLC (263-F)
115 Broadway N, 117 Broadway N & 119 Broadway N**

Project Evaluation:

The City of Fargo received a Renaissance Zone application from DFI BG LLC to rehabilitate two (2) mixed-use commercial and residential buildings on one (1) lot at 115 Broadway North, 117 Broadway North and 119 Broadway North. Pursuant to the application, the intent of the project is to complete interior renovations to existing commercial buildings in close proximity to each other. Each building has 3 levels and collectively include approximately 31,500 residential and commercial square feet. The rehabilitation would renovate and update the upper two levels of both buildings into 29 apartment units and add 5 commercial retail units of 1,000 square feet each onto the rear.

The construction would begin in the fall of 2017 with the goal of completion in the fall of 2018.

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 11 is identified as: *preservation and rehabilitation*. 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 near Renaissance Zone's major commercial corridors: Broadway North.

The provision of apartment units will contribute more residents that would potentially become patrons of downtown services and result in increased activity downtown. The addition of retail units on the back of the building will add pedestrian activity as well.

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

The proposed project site on Broadway North already contains architectural design elements that make it walkable. In order to preserve the walkable character of the area, no major alterations to the will be made to the front exterior of the building to increase disincentives to pedestrian modes of transportation. In addition, the creation of retail units on the rear of the building will generate activity to encourage on street activity.

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 proposed project will preserve commercial uses on the ground floor of the property in order to maintain activity on the street. Retail units will be added to the rear of the building to promote the increase of ground floor uses of the building.

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

The proposed project would keep the commercial tenant on the ground floor to add to the collective pedestrian-friendly, mixed-use character of Broadway North. The addition of retail units on the rear of the building would provide a pedestrian-friendly destination.

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 property is located along Broadway North. Broadway North is a multi-modal corridor in design that accommodates for high counts of pedestrian modes of transportation and provides shared lanes for both auto and bike modes as well. In addition, bike share, bus facilities, and parking ramps are located in close proximity along 2nd and 4th Avenue North.

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 project is anticipated to provide more residents and retail activity to increase street activity and contribute to the existing “natural surveillance” along Broadway North.

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 rehabilitation project would create a mixed-use building by increasing the utilization of the ground floor and increasing the quality of the housing units provided on the upper floors.

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..

The project would contribute to infill, because the proposed rehabilitation work would occur on a site is already developed and provide an adaptive re-use of the building on the rear ground floor.

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 project proposal would benefit from the existing amenities along Broadway North. The project would also increase the quality of the housing provided by adding new plumbing, electrical, design layouts, bathrooms, kitchens, appliances, and heating and cooling HVAC systems.

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 project is located on Broadway North and would contribute to the existing overall design of the corridor.

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 project would generate a retail destination and more residents that would live and contribute to the vitality of the downtown.

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.

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.

The proposed apartment residences would attract activity to the site on nights in weekends in addition to the commercial use on the ground floor.

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-uses of commercial and residential uses would establish connections between the building and other surrounding land uses on Broadway North.

(9 /10 points)

Line 2: Will exterior rehabilitation or the proposed improvements be sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building? Does the project scope address the interior and exterior of the building in a comprehensive manner?:

The applicant has reviewed the exterior of the building and has not identified deteriorated conditions. Therefore, the applicant has not proposed any improvements to the exterior of the building. However, the project proposal will include plans to renovate the top 2 floors of the buildings and create retail spaces on the rear of the building in a comprehensive manner.

(9/ 10 points)

Line 3: Does the investment comply with the minimum State standard that requires an investment of no less than 50% of the current true and full valuation of the building?:

The property is currently assessed at \$1,562,900. The applicant has proposed a total rehabilitation investment of \$2,400,000 which exceeds the required 50% investment guideline. These improvements will result in \$76 per SF (RZ minimum is \$25 per SF for residential and \$40 per SF for commercial) being invested into the existing space.

(10 / 10 points)

Line 4: Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?:

Pursuant to City of Fargo Renaissance Zone standards, in order to qualify for consideration, a project must meet a minimum \$25 per SF capital improvement threshold for residential rehabilitation and \$40 per square foot capital improvement for commercial rehabilitation. New construction must meet \$100 per square foot capital investment threshold.

According to the application, the structure accommodates 31,500 square feet. The application estimates a total capital investment of \$2,400,000, which calculates to approximately \$76 per SF.

(10 / 10 points)

Line 5: Sub-Total: The sub-total of lines 1–4 equals 40 points.

~~**Line 6: Use consistent with the RZ Plan (as per Visions and Goals)?:**~~

~~**Line 7: Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?**~~

~~**Line 8: Tenant must be leasing space in a building that has been approved as a Zone project: NA**~~

Line 9: The new construction or proposed improvements are representative of “High Priority Land Uses” as defined in the RZ Plan: These criteria are defined by four sub-categories, as follows:

Primary Sector Business: N/A

Active Commercial, Specialty Retail or Destination Commercial: The project is located near Broadway North where a lot of mixed-use activity is already established. Significant investment to the existing building to create apartment and retail uses that result in more intense uses will increase the activity in this corridor.

Mixed Use Development: The addition of apartment units on the 2nd and 3rd floor of the existing building and the addition of retail to the rear of the building will increase the mixed use of the building.

(8 / 10 points)

Line 10: The investment is located in a 'Target Area' as defined by the RZ Plan:

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

The proposed project will provide investment in a property that was underutilized for an extended period of time. The renovation of the building will provide several more intense uses that will generate more activity as well as provide a destination.

(5/5 points)

- 2) Parcels specifically targeted for clearance:

The RZ Plan designates Block 11 as being appropriate for preservation and redevelopment. The proposed project meets these objectives by redeveloping an existing building for apartment uses.

(5/5 points)

(10 / 10 points)

Line 11: 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 contribute to street level activation by adding more residents to the downtown area and activating the alley behind the existing building.

(10 / 10 points)

Line 12: Consideration and analysis as to the total actual investment in the project:

As proposed, the rehabilitation project and improvement costs exceed both the 50% (true and full value of the building) and \$40 per square foot requirement. As previously noted, the application represents a total estimated investment of \$2,400,000.

(10 / 10 points)

Line 13: 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 14: 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. The proposed rehabilitation project will contribute to enhancing the aesthetics of the area.

(9 / 10 points)

Summary:

This application received a score of 95 on a 100-point scale. The applicant met all required criteria and the use is consistent with the RZ Plan. In addition, the proposed rehabilitation project surpasses the local capital improvement requirement of \$40 per square foot capital improvement for commercial rehabilitation. New construction must meet \$100 per square foot capital investment threshold.

This project is consistent with the RZ Plan as activity generators and walkable districts are important initiatives highlighted in the plan. The proposal will increase activity and contribute to the vitality of the downtown area along Broadway North.

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 is not seeking historic preservation tax credits.

This project will make use of a structure 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 BG 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.

Renaissance Zone Scorecard
Minimum Criteria (Rehabilitation Project)

		Possible Rating	Staff Rating
1	Use consistent with the plan (as per Vision and Goals)	10	9
2	Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building	10	9
3	Re-investment that totals no less than 50 percent of the current true and full valuation of the building	10	10
4	The investment totals at least \$40 in capital improvements per square foot for commercial properties or \$25 in capital improvements per square foot for residential properties (The authority may waive the square foot investment requirement for certain projects)	10	10
Minimum Criteria (Proposals involving new construction or additions)			
6	Use consistent with the plan (as per Vision and Goals)	N/A	NA
7	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	N/A	NA
8	Tenant must be leasing space in a building that has been approved as a Zone project	NA	NA
Project Review Guidelines			
9	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"> • Primary sector business • Active Commercial, Specialty Retail and/or Destination Commercial • Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion) • Large, upscale residential units 	10	8
10	The investment is located in a ‘Target Area’ as defined by the RZ Plan: <ul style="list-style-type: none"> • Parcels that have been vacant or underutilized for an extended period of time • Parcels specifically targeted for clearance 	10	10
11	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"> • Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration • Demonstrated commitment to strengthening pedestrian corridors and issues of "connection" • Attention to streetscape amenities • Contribution to street activity 	10	10
12	Consideration and analysis as to the total actual investment in the project: <ul style="list-style-type: none"> • 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) 	10	10
13	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"> • 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 • 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. 	10	10
14	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"> • 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. 	10	9
Total Rating (100 possible points)		100	95



ROBERTS ST N

4 AVE N

3 AVE N

2 AVE N

Subject Properties

1 AVE N

5 ST N

4 ST N

NORTHERN PACIFIC AVE N

BROADWAY N

CITY OF FARGO

RENAISSANCE ZONE PROJECT APPLICATION

REHABILITATION OR PURCHASE (Renovation)

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.

115 & 117/119 BROADWAY

S 5 IN OF 15 & ALL OF 16 & 17 & 18, Block 8, Keeney & Devitts 1st

PIN - 01-1520-00751-000

Renaissance Zone Block 11



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

DFI BG LLC

210 Broadway, Suite 300

Fargo, ND 58102

Tax ID Number:

4. Current use of property

115 Broadway

Subway is located on the ground floor in a 25ft wide storefront. The two upper floors housed the Broadway Hotel – a single room occupancy living quarters.

Each floor has fifteen 12' x 10' units and on each floor there was one bathroom and one shower room for the residents. These units have been vacated for asbestos and lead abatement since July 2017.

117/119 Broadway

Teaberry and Sweeto Burrito (now vacant) are located on the ground floor, each business occupying a 25ft wide storefront.

The two upper floors have 12 units per floor – with a mix of 1 and 2 bedrooms. These units have been vacated for asbestos and lead abatement since July 2017.

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

115 Broadway – 10,500sf (building) & 3,504sf (lot)

117/119 Broadway – 21,000sf (building) & 7,087sf (lot)

Describe the impact this project has on any historical properties

115 Broadway – Broadway Hotel

This building was built in 1924, to replace the previous building constructed in 1906 that was destroyed by fire in 1924. The three story building has one recessed bay with four windows on second and third stories separated by pilaster strips between the windows and corner pilasters. Above the bay are four recessed brick panels under corbelled cornice and plain brick parapet with stone coping.

Prior to the fire in 1924, the building was the location of a theater of several different names: Ideal, Savoy, and Liberty. Following the fire and reconstruction, a number of different businesses were located on the ground floor: Office Specialties, J.M. Wiley Piano Company, and Knox Music Center.

117/119 Broadway – Bristol and Sweet

The building was designed by the Hancock Brothers architectural firm and built in 1907 for the Bristol and Sweet Harness Co. Bristol and Sweet was founded by Frederick and Ida M. (Sweet) Bristol, who came to Fargo from Illinois in 1879. The three-story building is classical revival design with two recessed bays separated by center and end brick pilasters, sitting on rough sandstone piers at first story; four windows to each bay at second and third stories. The building has a plain brick parapet with elaborate dentilled metal corner and foliated metal frieze.

The ground floor originally housed the Bristol and Sweet Harness Company, until 1920 when the company moved to 322 5th St N. Charles Reineke, founder of WDAY radio, purchased the building in 1922 and moved his station from the Cass County Courthouse bell tower to this location. This was the first radio station in the northwest and one of the first 100 in the country. The upper floors held a variety of businesses and professional services. In 1934, The Roxy Theater opened in building, owned by Francis Aamoth, and it operated through the 1960s. The small theater eventually became known as the Broadway Theater in the 1960s and closed in the mid-1980s.

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

Renovation

6. Project Description.

The Broadway Hotel and Bristol & Sweet project consists of the renovation of the uppers of 115 and 117/119 Broadway into market rate apartments. The 29 units would be designed for those renting by choice, students, young professionals, and recent graduates. The project would consist of alcoves, one and two bedrooms.

The ground floor commercial spaces facing Broadway will have little to no changes. The rear of the building will be renovated to create five new retail units of approximately 1000SF each. Three units will be at the ground level and two garden level basement units.

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.

- \$2.4M investment resulting in \$76 per square foot of construction costs.
- Anticipated start Fall 2017
- Anticipated completion Fall 2018
- 24 units – about 30% will be alcoves, 35% 1 bedrooms, 35% 2 bedrooms,

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

Activity Generators

Many of the units in the Bristol and Sweet building have been vacant due to their poor condition. The renovation of these upper floors of these two buildings will provide new living options in the heart of downtown. These residents will provide additional activity along Broadway and it could be expected will patronize retailers, service providers, and food and beverage operators in downtown.

The renovation of the rear of the buildings to include alley facing retail will provide additional retail location and generate new pedestrian activity.

Walkable Districts.

These historic buildings already support walkability through good urban design – mixed use, tall storefronts with large amounts of glass and frequent doors, and active ground floor uses – and as part of the project will change very little along Broadway. The project will redesign the rear of the building along the alley to add five additional retail storefronts. Three will be located on the ground level in what was former storage areas and two located in basement (first floor accessible or as garden level units) in spaces previously unused. We will seek to fill these spaces with retail and food and beverage concepts. These retail spaces will help activate this alley and generate more pedestrian activity.

The surrounding redevelopment of 123 Broadway (former Metro Drug) with the creation of three storefronts facing north and the development of Block 9 and plaza will generate far greater numbers of pedestrian activity in this area that will benefit these alley retailers. The plaza – and specifically the stage - will serve as a terminating vista for pedestrians walking north behind this project. The addition of alley storefronts will attempt to generate a destination point for those leaving and coming to the plaza and the various events.

Ground Floor Uses

The ground floors of these are anticipated to stay as is with no changes along Broadway. The rear of the buildings will be redesigned to add five new retail spaces.

Neighborhood Center

The introduction of retail in the alley will strengthen Broadway as a destination and continue the efforts to see retail and redevelopment expand outward from this prominent street.

Transportation Issues

Broadway is downtown's most important street and generates significant traffic counts, likely has the highest foot traffic in the state, and is bike friendly. The cross streets of 2nd and 4th Ave north are served by several different bus routes, including Link FM. To the north of the project is a Great Rides Bike Share station. The location is also near the Civic and Roberts Commons Parking Garages.

Safe Streets – Safe Neighborhoods.

The project's apartments and their resulting residents will contribute to the already existing natural surveillance along Broadway. The redesign of the alley with retail destinations will increase the foot traffic, pedestrians, activity, and natural surveillance in this corridor.

High Quality Housing

This project will meet the City's Renaissance Zone goal of producing high quality housing. These units will feature new kitchens and bathrooms with quality finishes, washer and dryer, exposed brick, hardwood floors, Broadway views, and other historic elements where possible.

Infill

This project is located on parcels that are already fully developed. But the project's redevelopment of the building's rear and basement does represent adaptive reuse. The redesign recognizes the growing trend for smaller retail spaces and will activate rear and basement storage areas into a higher and better use.

Housing Amenities

In general, we feel the building's location and proximity to Broadway serves as its biggest amenity. Broadway 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. The building will also include a bike room in the basement for residents.

The now vacated apartment units also had many life safety issues that need to be addressed: no sprinkler system, knob and tube wiring, undersized electrical service, and non-compliant egress lighting. The units also lacked many quality of life features: no cooling system, electric baseboard heat, limited natural light. The Broadway Hotel units also had no bathrooms or kitchens and many had no windows.

The redesign of these apartments will eliminate the life safety issues, add all new plumbing and electrical, eliminate the design deficiencies of the unit layouts, and provide quality of life enhances such as greater day lighting, private bathrooms and kitchens, dish washers, washers and dryers, and modern heating and cooling HVAC systems.

Downtown Entryways

The project is located along Broadway and will contribute to this already existing signature corridor of downtown.

The Place to Be

Downtown is already the cultural heart of downtown. The addition of new residents, retail, food and beverage, and unique experiences only enhances the ability of downtown to be the destination for the region.

A Place Like No Other

The creation of alley retail will create a new and unique area for downtown. Having retail located in this alley will create a “hidden” destination off the beaten path for visitors. The creation retail located in the unique basements of these historic buildings will further enhance this distinctive experience.

This project will also be part of an overall goal of reactivating 2nd Ave, which has suffered from limited pedestrian activity. The redesign of 123 Broadway with new storefronts replacing a blank façade will help draw the Broadway foot traffic down Second Ave. Wasabi will be relocating to one of these storefronts and we are targeting a food and beverage for the east storefront that would include large garage doors to further activate the entrance to the alley. The redesign of the Block 9 plaza will be a destination in and of itself and the space’s programmed events will draw large numbers of visitors. The creation of a retail activated alley will draw these visitors down the alley and into this unique space.

Spruce up the area

The upper floors of these buildings suffered from years of deferred maintenance. The complete renovation of these apartments will greatly improve this space. The redesign of the rear of the building with retail storefronts will start the process of making the alley into an inviting pedestrian experience.

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

The residential units on the upper floors will ensure this area of downtown will be activated in the evening and weekend as these residents return home from work or school. We are also purposefully targeting to fill the new commercial spaces with retail and food and beverage to create destinations and activity in the evenings and weekends.

Connections and Coordination.

This mixed-use project and activation of the alley will further enhance the activity along Broadway and help expand that energy beyond Broadway.

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

Very little noticeable change will occur along these buildings’ Broadway facade.

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

High Priority Land Use

This mixed-use project will include active retail commercial, residential apartments, and small amount of commercial office space on an upper floor. The residential apartments’ design, features, and finishes will meet the Renaissance Zone goal of “large, upscale apartments”.

Target Areas

Portions of these buildings’ apartments were vacant and underutilized due significant design issues and deferred maintenance making them undesirable. The adaptive reuse of the rear of the building and basement spaces will convert unused or underutilized areas into desirable retail spaces.

Public Space

These lots are fully built out and eliminate any possibility of creating civic space. However, the redesign of the rear will convert a utilitarian alley into an inviting public realm.

Investment

DFI BG LLC will be making a \$2.4M investment into this project. Resulting in a planned \$76/SF of capital improvements, and nearly twice the Renaissance Zone threshold for renovation projects. The \$2.4M investment also exceed the Renaissance Zone's requirement of greater than 50% of the existing buildings value (\$1,435,900) which would be \$0.7M.

Relocation

The project does not anticipate any businesses from other North Dakota cities relocating to this project.

Historic District

The project is located in the Downtown Fargo Historic District and the project would preserve the historic buildings.

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

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.**

Current true and full value: \$1,562,900 (Land = \$127,000 Buildings=\$1,435,900)

Current annual property tax on building (2016):

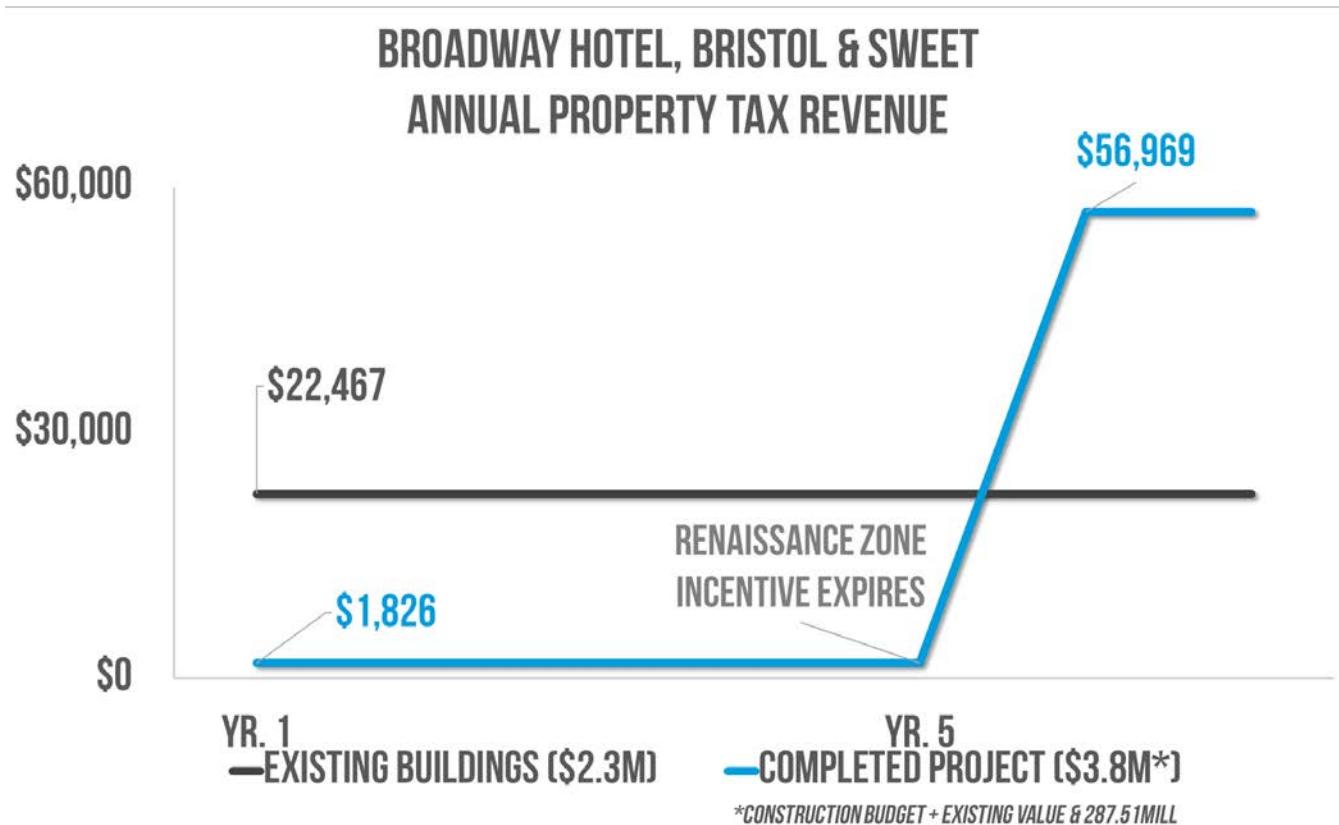
- 115 Broadway = \$6,073.41
 - 117/119 Broadway = \$15,487.29
- \$21,560.70

Estimated value of the buildings after improvements: \$3,835,900*

Estimated five-year impact: \$103,209 (287.51 Mill Levy)

Potential annual income tax savings: \$1,000

*Construction Budget (\$2.4M) + Existing Value



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.

DFI BG, LLC

Renaissance Zone Application

Project Cost Estimate for Capital Improvements

Project: BSBH, 115 & 117/119 Broadway Fargo, ND 58102

Planned Improvements

Improvements	\$ 2,400,000
	<u>\$ 2,400,000</u>

Notes

Soft costs have been allocated to each line-item

EXISTING

At least \$40/SF in capital improvements

Total Planned Capital Improvements	\$ 2,400,000
Total Square Feet	31,500
Planned Capital Improvements/SF	\$ 76.19

Requirement: Investment at least 50% of Current Value

Current True and Full Value	\$ 1,435,900
1/2 Current True and Full Value	\$ 717,950
Planned Capital Improvements	\$ 2,400,000