



PLANNING AND DEVELOPMENT

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MEMORANDUM

TO: Renaissance Zone Authority
FROM: Derrick LaPoint, Planner
DATE: January 18, 2017
RE: Renaissance Zone Authority Meeting Agenda

RENAISSANCE ZONE AUTHORITY
Wednesday, January 25, 2016 at 8 a.m. (City Commission Room)
Agenda

1. Approve Order of Agenda
2. Approve Minutes: Regular Meeting of December 19, 2016 (Attachment 1)
3. Review application from DFI 1213 NP LLC (Rehabilitation) at 6 12th Street North (Attachment 2)
4. Legislative Update
5. 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.cityoffargo.com/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 241-1474 or TDD at 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.cityoffargo.com/RenaissanceZoneAuthority.

RENAISSANCE ZONE AUTHORITY MINUTES

Regular Meeting:

Monday:

December 19, 2016:

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 9:00 o'clock a.m., Monday, December 19, 2016.

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

Present: Commissioner Dave Piepkorn, Bruce Furness, Commissioner Tony Grindberg, Cari Luchau, Deb Mathern, Steve Swiontek, Chad Peterson

Absent: Dr. Dean Bresciani

Chair Mathern called the meeting to order.

Item 1: Approve Order of Agenda

Member Luchau moved the Order of Agenda be approved with a revision to the date on Item 2 to November 16, 2016. Second by Member Peterson. All Members present voted aye and the motion was declared carried.

Item 2: Minutes: Regular Meeting of November 16, 2016

Member Furness moved the minutes of the November 16, 2016 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 North 500 Block LLC (Rehabilitation) at 508 1/2 Broadway North: APPROVED

9:07 a.m. Member Swiontek present.

Planner Derrick LaPoint presented this item and stated staff is recommending approval as the proposal does meet the guidelines and all required approval criteria.

Ben Meland and Austin Morris, Enclave Development, spoke on behalf of the project.

Member Piepkorn moved to approve the application submitted by North 500 Block 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 Furness. On call of the roll Members Grindberg, Swiontek, Mathern, Furness, Luchau, Piepkorn, and Peterson voted aye. Absent and not voting: Member Bresciani. The motion was declared carried.

Item 4: Proposed 2017 Renaissance Zone Authority Meeting Calendar

Board Members discussed Renaissance Zone Authority meeting dates for 2017. All Members agreed the fourth Wednesday of each month at 8:00 a.m. in the City Commission Room, will be the tentative meeting dates for 2017. Staff noted the November and December meeting dates will be left as planned, with the option of these dates being moved to work around the holidays.

Item 5: Other Business

Mr. LaPoint noted staff will be expecting Renaissance Zone applications for the January meeting.

Members Grindberg and Peterson suggested an update/discussion be provided on upcoming legislative bills being introduced, related to tax incentives, etc., at the January Renaissance Zone Authority meeting.

The time at adjournment was 9:20 a.m.



**Staff Report
Renaissance Zone Application for
6 12th Street North (255-F)
DFI 1213 NP LLC**

Project Evaluation:

The City of Fargo received a Renaissance Zone application from DFI 1213 NP LLC to rehabilitate the existing structure at 6 12th Street North. Pursuant to the application, the intent of the project is to complete extensive exterior and interior renovations. The building is 2-story and includes approximately 4,000 square feet of cold storage which was once stable house. The rehabilitation would convert the existing stable house into a usable commercial space. Overall the building improvements would include significant capital costs relating to new plumbing, HVAC, electrical, insulation, windows, siding, bathrooms and stairs.

The applicant expects that the space would be occupied by a single tenant with the potential for a new food and beverage concept. The construction would begin in the winter or spring of 2017 with the goal of opening in the fall of 2017.

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 35 is identified as *mixed-use projects with residential, commercial, retail and office. The desired project shall incorporate ground floor commercial or retail with an emphasis on interaction with NP Avenue and University Drive.* 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: Broadway/Roberts and NP/1st Avenue.

Nearby projects including the Historic Union and Prairie Roots Food Co-Op has created a new energy around this corridor. This project would add to that energy by pursuing a food and beverage concept within an existing underutilized structure. The project is also adjacent to the newly designed NP Avenue that incorporates protected bike lanes.

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

The project will enhance the overall walkability of downtown Fargo by creating another destination point in the growing corridor. The applicant states that the Prairie Roots Food Co-Op will be the main anchor of this area but the potential food and beverage concept with bring more people to this area. It is also an added amenity to the new residents nearby.

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 occupied by a food and beverage concept that will activate the street level and provide an opportunity for nearby residents and the public to gather.

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

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 project is located along four MATBUS routes as well as the newly constructed protected bike lane on NP Avenue. The parking lot will include bike racks and has been designed to accommodate a bike share station if the system expands. The building is approximately a 10-minute walk and 3-minute bike ride to Broadway.

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.

More people are living, working and visiting this area. The surrounding projects have added to that and more people creates an active and safe environment.

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.
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.
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 NP Avenue which has been identified as a key corridor in the Renaissance Zone Plan for redevelopment.

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.
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 stable building has remained vacant and underutilized for over 50 years. The rehabilitation will be clean up the existing structure and the food and beverage use will add to the activity generating in this area.

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

This project will expand the connection of downtown to the west. More people will be attracted to this area and with added bike lanes this area is accessible for everyone.

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?:

Proposed improvements will include: new plumbing, HVAC, electrical, insulation, windows, siding, bathrooms and stairs. Significant improvements will be made to the roof and structural stability of the building. The rehabilitation project is sufficient to eliminate any deteriorated conditions that are visible on the exterior of the building.

(10/ 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 \$60,000. The applicant has proposed a total rehabilitation investment of \$250,000 which exceeds the required 50% investment guideline. These improvements will result in \$61 per SF (RZ minimum is \$40 per SF) 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 \$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 4,000 square feet, as follows:

6 12th Street North

Ground Floor – 2,020 SF

2nd Floor – 2,034 SF

Overall, the application estimates a total capital investment of \$250,000 which calculates to approximately \$61 per square foot.

(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 proposed project will re-purpose existing underutilized stable house into a commercial space for a food and beverage concept. Renovations will allow the building to occupy more tenants, employees and visitors.

Mixed Use Development: The project will consist of a single-tenant. The building will not be mixed-use but will convert an existing structure that was not able to accommodate anything but cold storage to a fully functioning commercial space.

Large, upscale residential units: N/A

(5 / 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 property was used by Haggart Construction Co. in the early 20th century as a building material yard. The stable house was constructed between 1905-1910 and housed the horses used by the construction company in order to haul materials to their construction sites. In 1950, the adjacent masonry building was constructed by the Branick Manufacturing Company. The stable house as remained vacant and underutilized for over 50 years.

(5/5 points)

- 2) Parcels specifically targeted for clearance:

The RZ Plan designates Block 35 as being appropriate for mixed-use projects with residential, commercial, retail and office. The desired project shall incorporate ground floor commercial or retail with an emphasis on interaction with NP Avenue and University Drive.

(2/5 points)

(7 / 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 enhance and strengthen the NP Avenue and University Drive corridor by renovating an existing structure into a food and beverage concept. The renovation will improve the appearance of this gateway into the downtown core. The project will improve the overall appearance and contribute to the overall level of activity in the downtown core.

(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 \$250,000.

(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 property was used by Haggart Construction Co. in the early 20th century as a building material yard. The stable house was constructed between 1905-1910 and housed the horses used by the construction company in order to haul materials to their construction sites. In 1950, the adjacent masonry building was constructed by the Branick Manufacturing Company. The proposed rehabilitation project will preserve the integrity of the building and create a destination for Fargo residents to dine.

(10 / 10 points)

Summary:

This application received a score of 92 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 for a commercial rehab and \$100 per square foot for new construction.

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 in the NP Avenue corridor.

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. The applicant will pursue a Storefront Grant to aid in the rehabilitation effort.

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:

Approve the application submitted by DFI 1213 NP 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)			
		Staff Rating	Member Rating
1*	Use consistent with the plan (as per Vision and Goals)	10	
2*	Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building	10	
3*	Re-investment that totals no less than 50 percent of the current true and full valuation of the building	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	
5	Sub Total	40	
Minimum Criteria (Proposals involving new construction or additions)			
6	Use consistent with the plan (as per Vision and Goals)	12	NA
7	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	10	NA
8	Tenant must be leasing space in a building that has been approved as a Zone project	NA	NA
Project Review Guidelines (Rate 1-10)			
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 	5	
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 	7	
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	
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	
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	
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	
15	Sub Total	52	
16	Total Rating (100 possible points)	92	



CITY OF FARGO

RENAISSANCE ZONE PROJECT APPLICATION

REHABILITATION OR PURCHASE (NEW CONSTRUCTION)

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.

6 12 ST N
Block 41 & W 115 FT OF LT 1 BLK 42 of Roberts 2nd Addition
Renaissance Zone Block 35
Parcel #01-2382-04090-010

2. Current property owner(s).

DFI 1213 NP LLC

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

DFI 1213 NP LLC
210 Broadway, Suite 300
Fargo, ND 58102
Tax ID Number:
DUNS:

4. Current use of property

This is an original stable house that was constructed by Haggart Construction Co. It has been vacant since 2015, but prior to that it was used very limited by Mathisons for cold storage.

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

1213 NORTHERN PACIFIC AVE N - 32,850 SF

First Floor – 2,020
Second Floor – 2,034

5. Describe the impact this project has on any historical properties

According to Sanborn Maps, the property was used by Haggart Construction Co. in the early 20th century as a building material yard. The stable house, located in the northeast corner of the lot, was constructed sometime between 1905-1910. It is believed that the stable housed the horses used by the construction company to haul materials from their yard to their construction sites. It is believed this is one of a few, if not the only, remaining original stables located in the downtown area.

In 1950, the current masonry building was constructed by the Branick Manufacturing Company that connects to the west side of the stable. Building permits show it was remodeled in 1973 for use as a studio and in 1989 for use as an office.

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

Historic Renovation and Adaptive Reuse

7. Project Description. Describe scope of work, including a detailed cost estimate of the work to be completed, and justification that the improvements will meet the State's 50% investment criteria.

The stable includes two stories, approximately 2,000 SF per floor and is built slab on grade. When the building was purchased in 2015 it had transite siding, which has since been removed to expose what is believed to be the original siding. As this was originally constructed as a stable, the building lacks modern systems (plumbing, HVAC, electrical) insulation, weather tight windows, etc. The unique interior space is result of the large volume created by the gable/hip roof and the exposed original framing and siding.

The building will receive extension renovations to convert it from cold storage to an occupiable space:

- Roof – strip existing shingles, repair decking as needed, add 2 layers rigid insulation and re-shingle with commercial asphalt
- Siding – 4-6" lap siding
- New windows (metal clad wood) & doors
- Interior, all walls stripped to studs (the main floor T&G wall boards will be salvaged), insulated and sheetrocked (including upstairs walls, but not ceiling).
- Floor – new concrete topping on main, upstairs stripped of all wood flooring (salvaged) and new subfloor installed
- Stairs – rehab existing stair and add new stair in new penetration through 2nd level
- Electrical – new 200A or larger service off meter bank in basement of 1213. Code outlet distribution and code lighting.
- Mechanical – standalone air handlers (GFA) with condensers on ground.
- Sprinkler – tap off 1213 and standard distribution.
- Two bathrooms with two fixtures per sex.
- Structural upgrades to the foundation and main floor columns.
- Soffits, fascia, gutter and downspouts.

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

It's our expectation that the space would be used by one tenant. We are currently in talks with a group who would use the space for a new food and beverage concept. The current expectation would be to begin construction in winter/spring of 2017 with targeted opening fall of 2017.

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

Activity Generators.

Kilbourne Group will be pursuing a food and beverage concept at this location which will help drive new activity and interest in this area. This project will benefit from nearby Historic Union and Prairie Roots Food Co-Op projects. This project is also adjacent to the newly constructed NP Ave with a protected bike lane. NP Ave has been identified as key corridor in the Renaissance Plan for redevelopment.

Walkable Districts.

This project will enhance the overall walkability of downtown Fargo by creating a new destination point in downtown. It's our hope that the Prairie Roots Food Co-Op will anchor this area of downtown and this new stable project will provide another node of activity and further catalyze new growth and investment. The property also benefits from the NP Ave protected bike lane providing an enhanced connection to the downtown core.

Ground Floor Uses.

The ground floor of the project is being targeted for food and beverage concept. This will provide new activity and amenity for the residents living nearby.

Neighborhood Center.

Increasingly, development is occurring beyond the Broadway corridor and expanding to the west. A number of new residential projects, both renovation and infill, are adding a growing and younger demographic. While Broadway will always be downtowns most prominent street, the expanding downtown will necessitate new neighborhood mixed-use nodes. This project has the opportunity to help establish a neighborhood center anchored by the food co-op.

Transportation Issues.

The project is located along four MATBUS routes: 13, 13U, 15, & 18. The newly constructed protected bike lanes run along NP Ave. The food co-op's parking lot will include bike racks and has been designed to accommodate a bike share station if the system expands. The building is approximately a 10-minute walk and three-minute bike ride to Broadway.

Safe Streets – Safe Neighborhoods.

Increasing the number of residents, workers, and visitors to an area helps contribute to a more inviting place. Recent development in this area includes the completed Historic Union apartments, the soon to be completed Prairie Roots Food Co-Op and Historic Union retail. The addition of a food and beverage concept will further increase the number of people coming and going to this location.

Downtown Entryways.

This project is located along NP Ave, which has been identified as key corridor in the Renaissance Plan for redevelopment.

The Place to Be.

Downtown has become the place to go and visit for unique, authentic, and local food and beverages. The renovation of this historic structure into a new food and beverage concept will contribute to downtowns draw and charm.

A Place Like No Other.

This is the only remaining stable left in downtown and the adaptive reuse of the property creates a unique story. We intend to preserve as much of the building's historic features as possible and will create a design that maintains the interiors large open space.

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

This building has remained vacant and/or underutilized for 50+ years. The addition of a food and beverage concept at this location will contribute to the increased residential and retail activity.

Connections and Coordination.

Creating a new hub of activity and redevelopment on the western side of downtown will serve to further connect and grow the boundaries of downtown Fargo. This project will also build upon and benefit from the City's recent construction of a protected bike lane along NP Ave.

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

To convert the building from a former stable into an occupiable space will take significant work. The existing shingles will be striped, deck repair as needed, and two layers of rigid insulation added. The roof will be re-shingled with commercial asphalt. The exterior will be resided with 4-6” lap siding (LP or Hardy Board). All the windows (metal clad wood) and doors will be replaced. The hay loft doors will be replaced with either fixed windows with crossbuck mullions or infilled to mimic a door pattern.

9. **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 by targeting active/destination commercial tenants.

Target Areas

The Renaissance Zone specifically targets vacant and underutilized property. The buildings lack any evidence of any remodeling. This lack of improvements makes us believe following its original use as a stable it has only been used for storage. Our planned improvements to the building will mark the first time in 106+ years that the space occupied.

Investment

Kilbourne Group will be investing \$250,000 into the renovation of this adaptive reuse project. Renaissance Zone require a minimum \$40/SF investment for improvements and an investment at least 50% of the current value. The renovation of the stable will result in \$61/SF improvements and a total investment eight times greater than state requirement.

Relocation

Any food and beverage concept at this location will either be a new start up or the expansion of an existing local/regional business into an additional location.

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

A Storefront Grant will also be pursued to aid in the rehabilitation efforts. In evaluation of the Renaissance Zone application for 1213 NP staff indicated, *“It is important to note that the existing stable house (east-side*

of the property) is blighted and in a state of disrepair." We feel pursuing a storefront grant is appropriate based on the staff report, the existing conditions, and the goal of the storefront grant program to remove blighted conditions.

11. 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: \$60,000 (City assessed value)

Current annual property tax on building: \$837.72 (calculated using 279.24 Mill Levy)

Estimated value of the buildings after improvements: \$31000,000 (\$250,000 investment + \$60,000 current assessment)

Estimated five-year impact: \$19,476.99 (279.24 Mill Levy)

Potential annual income tax savings: \$1,000

12. 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.

Submit Project Proposals to:

Department of Planning and Development, 200 N 3rd Street, Fargo, ND 58102
Phone 701-241-1474

DFI 1213 NP Avenue, LLC

Renaissance Zone Application

Project Cost Estimate for Capital Improvements

Project: Stable, 6 12 ST N Fargo, ND 58102

Planned Improvements

Investment	\$	250,000
	\$	250,000

Notes

Soft costs have been allocated to each line-item

Includes Land, Land improvements, & Personal Property cost estimates

EXISTING

STATE REQUIREMENT: $\geq \$40/\text{SF}$

Total Planned Capital Improvements	\$	250,000
Total Square Feet		4,054
Planned Capital Improvements/SF	\$	61.67

STATE REQUIREMENT: Investment $\geq 50\%$ of Current Value

Current True and Full Value	\$	60,000
1/2 Current True and Full Value	\$	30,000
Planned Capital Improvements	\$	250,000

Parcel #:	01-2382-04090-010
Owner:	DFI 1213 NP LLC
Address:	1213 NP AVE N FARGO ND 58102
Jurisdiction:	Fargo City
Mortgage Company:	

[Map View](#) - [Legal Description](#)

Mail To:	DFI 1213 NP LLC 210 BROADWAY N STE 300 FARGO ND 58102-4771
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2015 Statement #150116821	
Mill Levy Rate:	317.32
Consolidated:	\$9,397.89
Specials:	\$2,199.97
Drains:	\$195.77
Other:	\$0.00
Discounts:	\$469.89
Pen/Int:	\$0.00
1st Due:	\$0.00
2nd Due:	\$0.00
Amount Due:	\$0.00
Grand Total Due:	\$0.00

Statements

Year	Statement #	Type	Tax	Penalty	Interest	Discount *	Paid	Balance	Add to Cart
2015	150116821	Real Estate	\$11,793.63	\$0.00	\$0.00	\$469.89	<u>\$11,323.74</u>	\$0.00	Paid
2014	140116828	Real Estate	\$10,967.96	\$603.81	\$0.00	\$0.00	<u>\$11,571.77</u>	\$0.00	Paid
2013	130117826	Real Estate	\$10,630.97	\$1,027.37	\$1,063.10	\$0.00	<u>\$12,721.44</u>	\$0.00	Paid
2012	120218663	Real Estate	\$13,275.41	\$1,262.47	\$2,777.20	\$0.00	<u>\$17,315.08</u>	\$0.00	Paid
2011	110218680	Real Estate	\$12,946.56	\$1,228.60	\$2,708.20	\$0.00	<u>\$16,883.36</u>	\$0.00	Paid
2010	100218717	Real Estate	\$12,697.94	\$675.75	\$0.00	\$0.00	<u>\$13,373.69</u>	\$0.00	Paid
2009	90218742	Real Estate	\$9,823.62	\$0.00	\$0.00	\$372.54	<u>\$9,823.62</u>	\$0.00	Paid

Assessments

Year	Agricultural Land	Residential Land Building	Commercial Land Building	Total	Taxable Value Before Credits	Credits	Net Taxable Value
2015	\$0.00	\$0.00 \$0.00	\$181,000.00 \$492,100.00	\$673,100.00	\$33,655.00	<u>\$0.00</u>	\$33,655.00
2014	\$0.00	\$0.00 \$0.00	\$164,000.00 \$430,900.00	\$594,900.00	\$29,745.00	<u>\$0.00</u>	\$29,745.00
2013	\$0.00	\$0.00 \$0.00	\$164,000.00 \$413,600.00	\$577,600.00	\$28,880.00	<u>\$0.00</u>	\$28,880.00
2012	\$0.00	\$0.00 \$0.00	\$164,000.00 \$402,300.00	\$566,300.00	\$28,315.00	<u>\$0.00</u>	\$28,315.00
2011	\$0.00	\$0.00 \$0.00	\$164,000.00 \$385,800.00	\$549,800.00	\$27,490.00	<u>\$0.00</u>	\$27,490.00
2010	\$0.00	\$0.00 \$0.00	\$164,000.00 \$375,000.00	\$539,000.00	\$26,950.00	<u>\$0.00</u>	\$26,950.00
2009	\$0.00	\$0.00 \$0.00	\$136,000.00 \$255,200.00	\$391,200.00	\$19,560.00	<u>\$0.00</u>	\$19,560.00



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Ryan Rauschenberger, Commissioner

RECEIVED

AUG 18 2016

August 16, 2016

Ref: L1369281024

DOWNTOWN FARGO REAL ESTATE FUND I LLC
210 BROADWAY N STE 300
FARGO ND 58102-4771

RE: Renaissance Zone Certificate Of Good Standing, State Income And Sales Taxes Only

This letter is evidence of good standing as required by the North Dakota Division of Community Services for purposes of obtaining final approval of a renaissance zone project.

As of the date of this letter, the records in the North Dakota Office of State Tax Commissioner do not show probable cause to believe that any income taxes (including income tax withheld from wages) or sales and use taxes are due and owing to the State of North Dakota by the following taxpayer:

Taxpayer's Name: DOWNTOWN FARGO REAL ESTATE FUND I LLC
SSN or FEIN: 47-2568083

The enclosed copy of this letter must be submitted (as part of the zone project application) to the local zone authority for the renaissance zone in which the proposed zone project will be located. Please keep this original letter for your records.

/s/ Lorie Bowker

Lorie Bowker

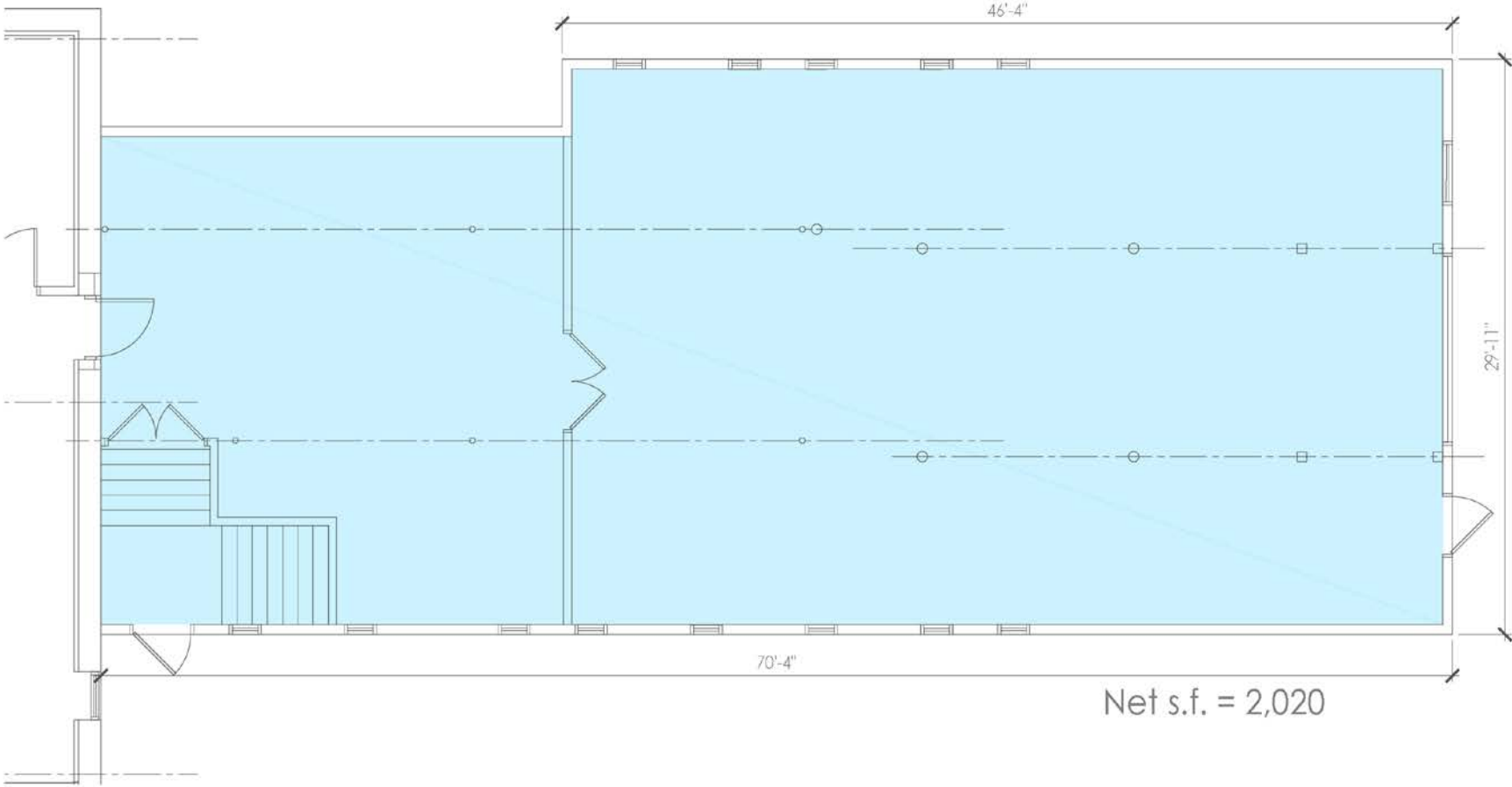
Supervisor, Individual Income Tax and Withholding

Phone: (701) 328-1296

Email: lbowker@nd.gov

Enc.

First Floor Existing



Second Floor Existing

