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## **MEMORANDUM**

**TO:** Renaissance Zone Authority

**FROM:** Joe Nigg & Derrick LaPoint, Fargo Planning Department

**DATE:** March 7, 2016

**RE:** Renaissance Zone Authority Meeting Agenda

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### **RENAISSANCE ZONE AUTHORITY** **Thursday, March 10<sup>th</sup>, 2016 at 10 a.m. (City Commission Room)** **Agenda**

1. Approve Order of Agenda
2. Establish RZA Chairperson
3. Recognition of Dr. Roger Gilbertson for 16 Years of Dedicated Service on the Renaissance Zone Authority
4. Approve Minutes: Regular Meeting of December 17, 2015
5. Review application from DFI 1213 NP LLC (Rehabilitation) at 1213 NP Ave N – **Attachment 1**
6. Review Expanded RZ Boundary – **Attachment 2**
7. Update: Downtown City Center Comprehensive Plan RFP - **Attachment 3**
8. 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](http://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](http://www.cityoffargo.com/RenaissanceZoneAuthority).

## **RENAISSANCE ZONE AUTHORITY MINUTES**

**Regular Meeting:**

**Thursday:**

**December 17, 2015:**

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., December 17, 2015.

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

Present: Chairperson Dr. Roger Gilbertson, Commissioner Dave Piepkorn, Bruce Furness, Cari Luchau, Deb Mathern

Absent: Commissioner Melissa Sobolik, Steve Swiontek

Chair Dr. Gilbertson 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 Luchau. All Members present voted aye and the motion was declared carried.

### **Item 2: Minutes: Regular Meeting of July 23, 2015**

Member Furness moved the minutes of the July 23, 2015 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 Investments on Main, LLC (Rehabilitation) at 614 Main Avenue: APPROVED**

Justin Berg of Park Company Realtors, and Phil Stahl of Stahl Architects, introduced the proposal on behalf of Investments on Main, LLC. Mr. Berg provided an overview of the proposed project to rehabilitate the existing structure at 614 Main Avenue, and Mr. Stahl submitted a photo of the historic storefront to the Board illustrating the vision of the project to restore the storefront to its original appearance.

Member Mathern present.

Board discussion continued regarding the timeframe of the project, access to the building, a business plan for the utility of the building, and the overall merits of the project.

Member Furness moved to approve the application submitted by Investments on Main, 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, verification of project costs and that Renaissance Zone Block 24 be amended into the Renaissance Zone boundary and that the applicant provide the required

Certificate of Good Standing from the State Tax Commissioner. Second by Member Mathern. On call of the roll Members Piepkorn, Mathern, Furness, Luchau, and Gilbertson voted aye. Absent and not voting: Members Swiontek and Sobolik. The motion was declared carried.

**Item 4: Update on Implementation of Expanded RZ Boundary pursuant to Senate Bill No. 2329**

Planner Joe Nigg stated that with recent legislative changes, the City has the ability to expand the Renaissance Zone boundary from 38 blocks to 49 blocks. Mr. Nigg explained the Renaissance Zone Plan was designed to allow for boundary expansion and referred to the map in the packet showing City staff's recommendations for the expanded Renaissance Zone boundary. Mr. Nigg stated City staff would like to obtain public input and come back to the Renaissance Zone Authority at a subsequent meeting to finalize the new Renaissance Zone boundary.

**Item 5: Downtown City Center Comprehensive Plan RFP**

Planner Joe Nigg presented the Request for Proposals (RFP) for the Downtown City Center Comprehensive Plan (or Downtown Plan) stating the City Commission approved the RFP on December 7, 2015. He expressed City staff's interest in any feedback the Renaissance Zone Authority would have regarding this RFP and reiterated the importance of engaging the RZA in this master planning process. Mr. Nigg explained the background and proposed timeline of the RFP.

Board discussion continued regarding transportation and improving access to the downtown area.

**Item 6: Other Business**

Member Furness moved the meeting be adjourned. Second by Member Luchau. All Members present voted aye and the motion was declared carried.

The time at adjournment was 8:48 a.m.



**Staff Report**  
**Renaissance Zone Application for**  
**DFI 1213 NP LLC (246-F)**  
**1213 Northern Pacific Avenue North**

**Project Evaluation:**

The City of Fargo received a Renaissance Zone application from DFI 1213 NP LLC to rehabilitate the existing structure at 1213 Northern Pacific Avenue North. Pursuant to the application, the intent of the project is to complete exterior and interior renovations including a newly constructed third floor. The building is 2-story and includes approximately 27,000 square feet of commercial / office space. The project would transition the lower level (9,000 SF) into leasable office space and storage; 1<sup>st</sup> floor (9,000 SF) to a full-service grocery store; and 2<sup>nd</sup> (9,000 SF) and 3<sup>rd</sup> (8,644 SF) floor will be offices. Overall the building improvements would include significant capital costs relating to plumbing, electrical, access (elevator and stair tower), HVAC, fire protection and utility upgrades.

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: commercial, retail and office*. Other critical elements highlighted within the Plan outline the importance of ground floor commercial or retail 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 St and NP/1<sup>st</sup> Avenue.

A downtown grocery store has frequently been identified as a need for downtown Fargo ever since the closing of Leeby's Food Market 25 years ago. A full-service grocery store will generate increased vehicular and pedestrian activity within this fringe area of the downtown core.

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

Prairie Roots Food Co-Op will occupy the ground floor of the project. The full-service grocery store will include a deli and a café. These amenities will help create a new destination point for downtown and attract Co-Op members, along with the general public.

4. *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.
5. *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 applicant plans to install bike racks and pursue a Great Rides Bike Share station on the property. The building is approximately a 10-minute walk to and 3-minute ride to Broadway.

6. *Safe Streets – Safe Neighborhoods [goal]*: Encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets.
7. *Downtown Entryways [goal]*: Enhance auto entry experiences with landscaping improvements to all major corridors.
8. *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.
9. *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.
10. *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 full-service grocery store will activate this location beyond office hours. The Co-Op intends to be open morning to evening on weekdays and weekends.

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

(10 / 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?:** As proposed exterior improvements will include: a new stair tower on the south side, mechanical and electrical systems, new windows throughout the building, a new storefront for Prairie Roots, and the construction of a third floor. The rehabilitation project is sufficient to eliminate any deteriorated conditions that are visible on the exterior of the building (Mathisons).

It is important to note that the existing stable house (east-side of the property) is blighted and in a state of disrepair. The applicant has suggested that the intent is to complete some minor renovations to the exterior of this structure and eventually pursue a more comprehensive project. The applicant is intending to split the property and establish a separate physical address for the stable house to preserve the ability to secure a Renaissance Zone project for this building at a future date. This distinction is important as RZ projects are required to be comprehensive and address any and all issues on the property. In short, the City does not want to provide incentives for a project and then a portion of the property remains blighted or underutilized for a prolonged period of time.

(7/ 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 current true and full value of the property is \$673,100. The applicant has proposed a total rehabilitation investment of \$3,700,000 which exceeds the required 50% investment guideline.

(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 35,644 square feet, as follows:

Lower Level – 9,000 SF  
First Floor – 9,000 SF  
Second Floor – 9,000 SF  
Third Floor – 8,644 SF (new construction)

Total Square Footage – 35,644 SF (26,644 SF without lower level)

Overall, the application estimates a total capital investment of \$3,700,000 which calculates to approximately \$139 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 manufacturing and retail space in to active office / retail square footage including a full-service grocery store.

*Mixed Use Development:* N/A

*Large, upscale residential units:* N/A

(2.5 / 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 building has been vacant since December 2015. Previously it was used for drafting and blueprint supplies and large-format printing services for 42 years. (3/5 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. (5/5 points)

(8 / 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 combination of office and retail, including Prairie Roots Food Co-Op grocery store. 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 significantly exceed both the 50% (true and full value of the building) and \$25 per square foot requirement. As previously noted, the application represents a total estimated investment of \$3,700,000.

(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 building was constructed in 1950 by the Branick Manufacturing Company. The building was used to manufacture tire inspections and retreading equipment and served as a filling station until the late 1960s. In 1972, Mathison's purchased the building and it's been used since as a retail space for drafting and blueprint supplies and large-format printing service until December 2015. The proposed rehabilitation project will preserve the integrity of both buildings and create a destination for Fargo residents to do their grocery shopping.

(10 / 10 points)

**Summary:**

This application received a score of 87.5 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 ground floor uses are important initiatives highlighted in the plan. The proposal will increase activity on both the NP Avenue and University Drive corridors.

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.

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	7	
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	<b>Sub Total</b>	<b>37</b>	
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"> <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>	2.5	
10	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>	8	
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"> <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	
12	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	
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"> <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	
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"> <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	
15	<b>Sub Total</b>	<b>50.5</b>	
16	<b>Total Rating (100 possible points)</b>	<b>87.5</b>	









Looking West from 12 Street North



Looking North from NP Avenue



Looking East from University Drive



Looking East from University Drive

**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.

1213 NORTHERN PACIFIC AVE 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

[REDACTED]  
[REDACTED]

4. Current use of property

The building has been vacant since December of 2015. Previously it was used for drafting and blueprint supplies and large-format printing service for 42 years.

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

1213 NORTHERN PACIFIC AVE N - 32,850 SF  
17 UNIVERSITY DR N - 5,750

Lower Level – 9,000  
First Floor – 9,000  
Second Floor – 9,000  
Third Floor – 8,644 (new construction)

6. 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. In 1950, the current masonry building was constructed by the Branick Manufacturing Company. The building was used to manufacture tire inspection and retreading equipment and served as a filling station until the late 1960s. In 1972, Mathison's purchased the building and it's been used since as a retail space for drafting and blueprint supplies and large-format printing service until December 2015.

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

Historic Preservation & Renovation and New Construction

DFI 1213 NP LLC will renovate the Branick Manufacturing Company building into a mixed-use project.

Prairie Roots Food Co-Op will occupy the entire first floor and provide downtown a full-service grocery store featuring natural, organic, and local foods, as well as a bakery, deli, and café seating. This will be downtown's first full-service grocer since the closing of Leeby's Food Market more than 25 years ago. The lower level will be designed for leasable office space and storage, and the second and newly constructed third floors will be offices.

The renovation will include a new stair tower on the south side, a new elevator, mechanical and electrical systems, new windows throughout the building, a new storefront for Prairie Roots, and the construction of a third floor.

An adjacent parcel, located to the north along University Dr., will be used for surface parking to support the office users.

8. **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 building is two stories plus a full basement. The building is a good example of how manufacturing buildings were constructed in that era. The building is constructed with concrete slabs over precast concrete joists with a brick masonry exterior.

The property is currently assessed at \$673,100. DFI 1213 NP will be investing \$3.7M in the renovation of the entire building and construction of the 3<sup>rd</sup> floor. The renovation will include a new stair tower on the south side, a new elevator, mechanical and electrical systems, new windows throughout the building, a new storefront for Prairie Roots, the construction of a third floor, and tenant fit up allowance. Prairie Food Co-Op will also be making significant tenant improvements to their first floor space.

These improvements (not including the Co-Op investments) will result in \$109 per SF (RZ minimum is \$25 SF) being invested into the existing space and approximately \$140 per SF (RZ minimum is \$100) to construct the new third floor.

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

Prairie Roots Co-Op will occupy the entire first floor and is anticipating to open in late 2016. The remainder of the building will be redesigned into office space in the basement, the second floor, and newly constructed 3<sup>rd</sup> floor. The office space should be available for lease by late 2016.

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

#### Activity Generators.

A downtown grocery store has frequently been identified as a need for downtown residents and workers. We feel the addition of this much needed and desired downtown grocer will increase the activity to this part of downtown. The Co-Op currently has almost 900 members, with the goal of having 1,500 when the store opens. The Co-Op members, along with the general public, shopping at the store will generate considerable activity in this area. The majority of Co-Op members do not live downtown. Their trips to the Co-Op will create destination trips to downtown activity will likely spillover to other businesses in downtown.

In addition to Prairie Roots Co-Op, there will be 21,654 SF of leasable office space located on the basement, second, and third floor that will also generate activity. Using a conservative industry standard of one employee per 200 SF, the new office space will generate approximately 110 office workers.

While this project is not along one of the Zone's stated major downtown commercial corridors, we believe University Drive has the potential to become a key downtown corridor.

#### Walkable Districts.

This project will enhance the overall walkability of downtown Fargo by creating a major new destination point in downtown. It's our hope the Co-Op will anchor this part of downtown and spur new investment and activity. The property will also benefit from the NP Ave protected bike lane providing an enhanced connection to the downtown core.

#### Ground Floor Uses.

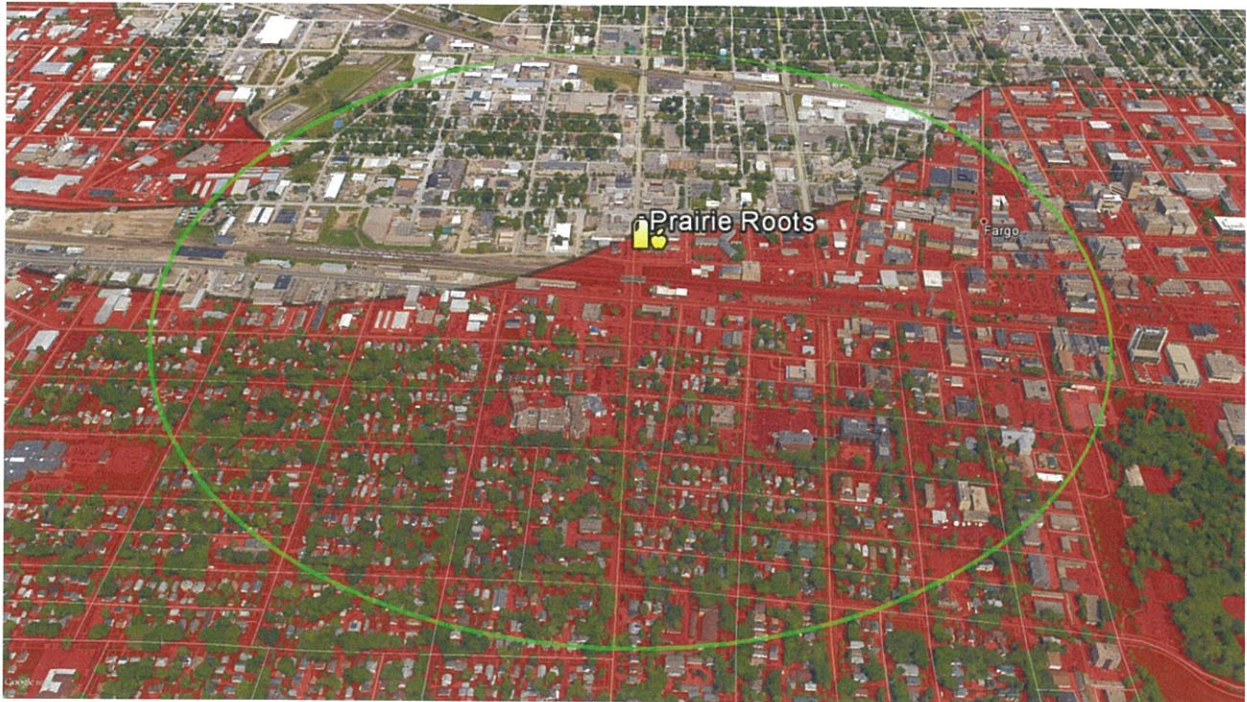
The ground floor of the project will solely house Prairie Roots Co-Op. The Co-Op has proposed to include a deli and café, drawing additional visitors to the area seeking a place to socialize and purchase meals. Our project is designed to spur transformation of this area of downtown and University Drive to a pedestrian friendly vibrant district.

#### Neighborhood Center.

Prairie Roots Co-Op has the ability to become a new neighborhood center and retail anchor for the western area of downtown Fargo. For many shoppers, the Co-Op will be a destination trip. The traffic and visitors generated from shopping trips should have a positive spillover effect on future retail in the surrounding area. The grocer will make existing residential in the area more desirable and the area more attractive for residential infill.



The 2013 *Metropolitan Food Systems Plan* identified this area of Fargo as an emerging food desert. "Access to food can be compromised for many reasons. There may be no grocery stores in particular areas or stores are difficult to get to without a vehicle." Using the same half-mile radius as the study, the opening of Prairie Roots Food Co-Op will remove approximately 1,900 households and 3,000 residents (Census 2010) from the existing food desert. This will help to partially fulfill the plans strategic objective: *Address Issues of Food Access and Environmental Justice*.



#### Transportation Issues.

The project is located along four MATBUS routes: 13, 13U, 15, & 18. The newly constructed protected bike lanes run along NP Ave. We plan to install bike racks and pursue a Great Rides Bike Share station on the property. The building is approximately a 10-minute walk and three-minute bike ride to Broadway.

#### Safe Streets – Safe Neighborhoods.

The establishment of Prairie Roots Co-Op will greatly increase the number of people coming and going to this location. The additional two floors of office will also substantially increase the number of employees. The activity generation of the Co-Op and increase in employees will provide more "eyes on the street" and natural surveillance.

#### Downtown Entryways.

While the project is not located along any key corridors identified in the Renaissance Zone, its location along University Dr. N, with nearly 18,000 cars (2005 DOT) passing the site daily, will bring a new level of vibrancy and activity to the west side of Downtown Fargo.

#### The Place to Be.

Successful downtowns need anchors to draw visitors and shoppers. Historically, Sears Roebuck and J.C. Penney were key retail anchors in downtown Fargo. Today, the post office, the public library, and NDSU's downtown campus are a few generators of destination trips.

Ideally, it's beneficial to have some of these anchors located in close proximity, but not directly in the downtown core, to create new nodes of activity. This expands people's perception of downtown's borders, but more importantly, draws new traffic and visitors past existing retail businesses outside of the core. This positive spillover effect increases existing retail visibility and helps spur greater investment in surrounding areas.

#### A Place Like No Other.

The adaptive reuse of the Branick Manufacturing Co. building highlights how well-designed buildings are able to adapt to the current needs of our time. What was once used for heavy manufacturing will now become a food co-op and offices. This is possible because the building was designed to stand the test of time and

included key design elements: frequent window openings, a prominent entrance and storefront, and generous floor-to-floor heights. This thoughtful design will be celebrated in its adaptive reuse for this project.

In addition to the building itself, the ground floor use as a grocer also represents a unique business that should be celebrated. The need for a downtown grocer has frequently topped the wish list of many living in or near downtown. Surveys conducted by the Community Land Use + Economics (CLUE) Group around the country have indicated a grocery store is a top five business people want most in their downtown. The creation of Prairie Roots Food Co-Op was initiated by citizens in the area and has been years in the making. The ability to have a downtown grocer is a differentiator and shows the strength of our community to create this unique business model.

Food co-ops have also been shown to provide greater access to healthy food, create more jobs per square foot, return less material to the waste stream, are more energy efficient, and source a far greater proportion of product locally than their conventionally structured competitors (Healthy Foods Healthy Communities 2011 report).

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

This location will be activated during working hours from the 100+ office works in the building. More importantly the Co-Op will active this location from morning to evening and on weekends, bringing much needed life to this part of downtown beyond the typical 9-5 working hours. Kilbourne Group is actively trying to transform downtown into an 18-hour city and this project will contribute to this goal.

#### 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.

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

The building was constructed by the Branick Manufacturing Company in 1950. It was used to house the company's heavy manufacturing of tire inspection and retreading equipment. To accommodate the heavy manufacturing, the building was constructed with concrete slabs over precast concrete joists.

This construction method will allow a third-floor to be added utilizing the building's existing foundation and structural system. A new stair tower will be added to the south and a new elevator will be added in the northwest portion of the building. Other exterior changes include a new storefront, windows, and signage.

11. 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 offices. Prairie Roots Co-Op will be an active business generating significant new activity and vibrancy. The Co-Op also represents a unique destination business in downtown. The remainder of the building will have much greater utilization with 21,654 SF of office space in the basement and on the second and third floors.

#### Target Areas

The majority of the building was previously used for storage of materials and products sold. Following the renovation, the basement, second and newly constructed third floor will bring 21,654 of office space and subsequent office workers to this part of downtown. Prairie Roots newly designed storefront and the destination style business will also greatly drive the number of people visiting this location.

#### Public Space

The public realm will be enhanced with the new storefront wrapping along portions of the south side of the building and west side along University Drive. The completion of the protected bike-lane along NP will provide a safe and appealing route to this new destination point and we plan to dedicate space to allow Great Rides Bike Share to expand their coverage area with a bike station. We fully plan to have this project create an active and pedestrian-friendly storefront along University Drive. The recent reconstruction of NP Ave with a protected bike lane will help us achieve that goal and a future pedestrian-friendly redesign of University Dr. would reinvent this portion of downtown.

#### Investment

Kilbourne Group will be making a significant investment in this project to rehab the existing building and add a new floor. The \$3.7M investment is approximately a five-fold increase from the current valuation.

### Relocation

Kilbourne Group has been closely working with the Prairie Food Co-Op to find them a space in downtown. We are very excited for this new business to be part of this project and downtown. Kilbourne Group will recruit businesses to the newly created office space.

12. 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 support the redesign of the Prairie Roots Co-Op storefront and new windows throughout the entire building. The remainder of the project funding will be 75% financed and 25% privately funded.

13. 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: \$673,100

Current annual property tax on building: \$11,793.63

Estimated value of the buildings after improvements: \$4.95M

Estimated five-year impact: \$354,382\* (286.37 Mill Levy)

Potential annual income tax savings: \$1,000

Kilbourne Group will utilize triple-net lease agreements for tenants at the DFI 1213 NP LLC property. Under these lease agreements the tenant is responsible for all real estate taxes. As such, our tenants are the benefactor of the five-year Renaissance Zone property tax abatement.

14. 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 3<sup>rd</sup> Street, Fargo, ND 58102  
Phone 701-241-1474



## DFI 1213 NP Avenue, LLC Renaissance Zone Application

Project Cost Estimate for Capital Improvements

Project: 1213 NP Ave, Fargo, ND 58102

### Planned Improvements

Existing Building	\$	2,943,972
3rd Flood Addition	\$	1,211,872
	\$	4,155,844

#### Notes

Soft costs have been allocated to each line-item

Includes Land, Land improvements, & Personal Property cost estimates

### EXISTING

#### At least \$25/SF in capital improvements

Total Planned Capital Improvements	\$	2,943,972
Total Square Feet		27,000
Planned Capital Improvements/SF	\$	109.04

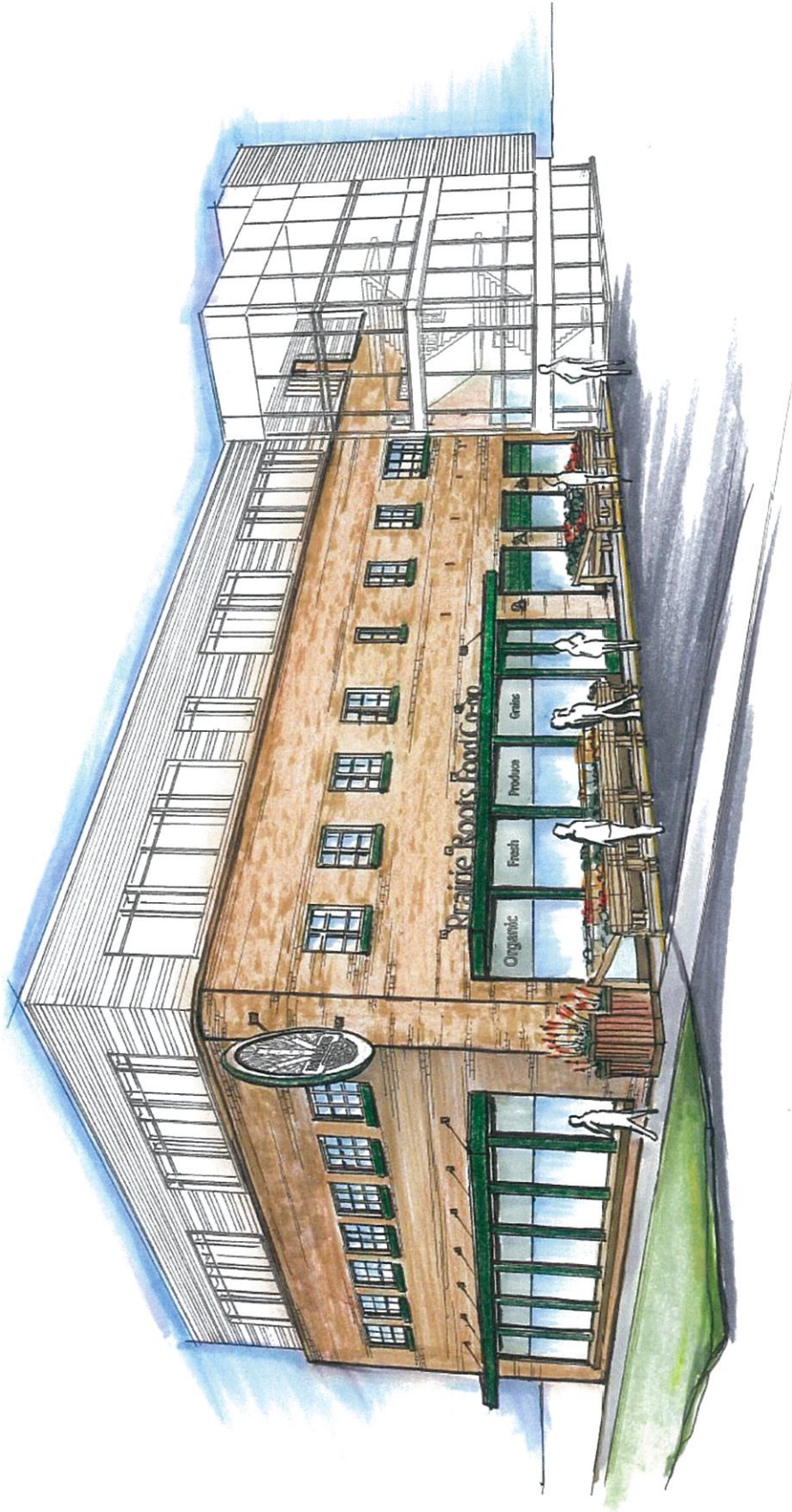
#### Investment at least 50% of Current Value

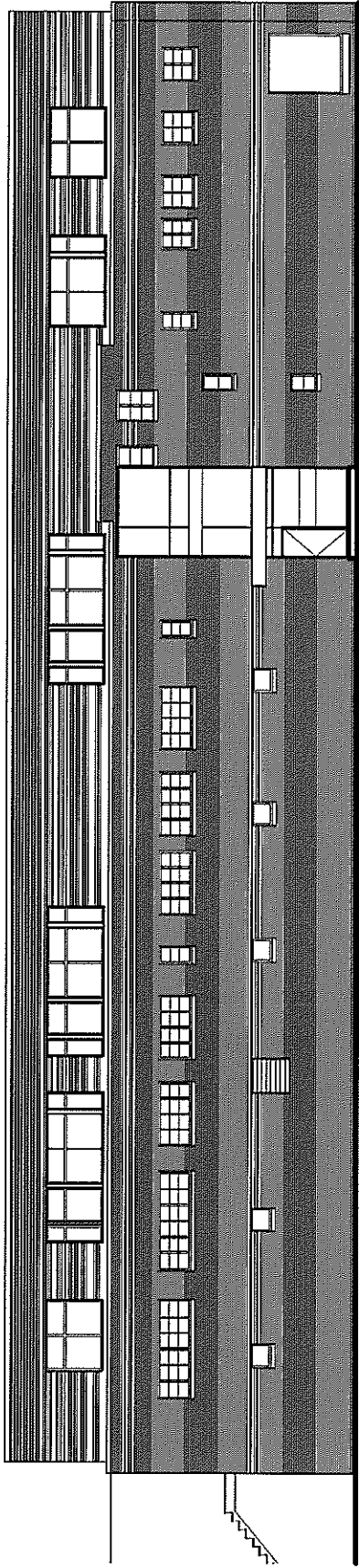
Current True and Full Value	\$	673,100
1/2 Current True and Full Value	\$	336,550
Planned Capital Improvements	\$	4,155,844

### NEW CONSTRUCTION

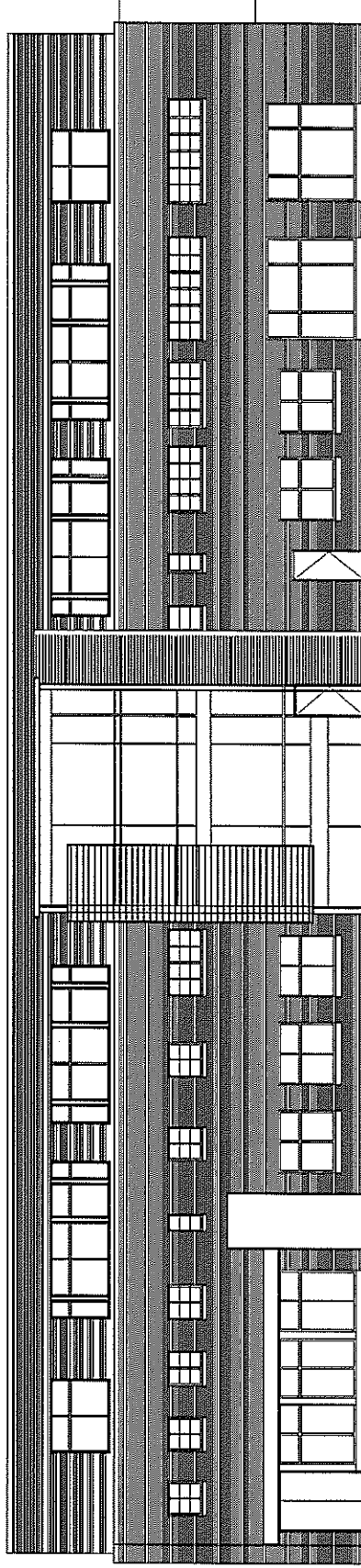
#### At least \$100/SF in capital improvements

Total Planned Capital Improvements	\$	1,211,872
Total Square Feet		8,644
Planned Capital Improvements/SF	\$	140.20

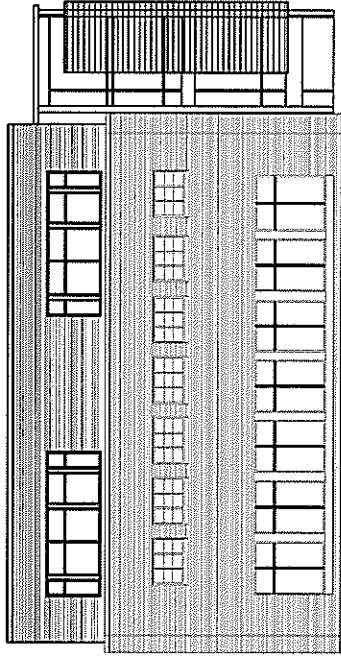




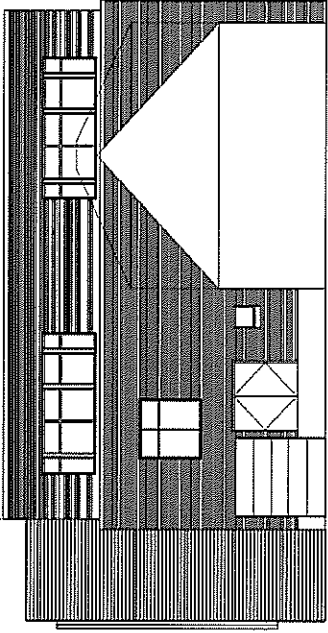
XX NORTH ELEVATION  
Scale: 1/8" = 1'-0"



C13 SOUTH ELEVATION  
Scale: 1/8" = 1'-0"

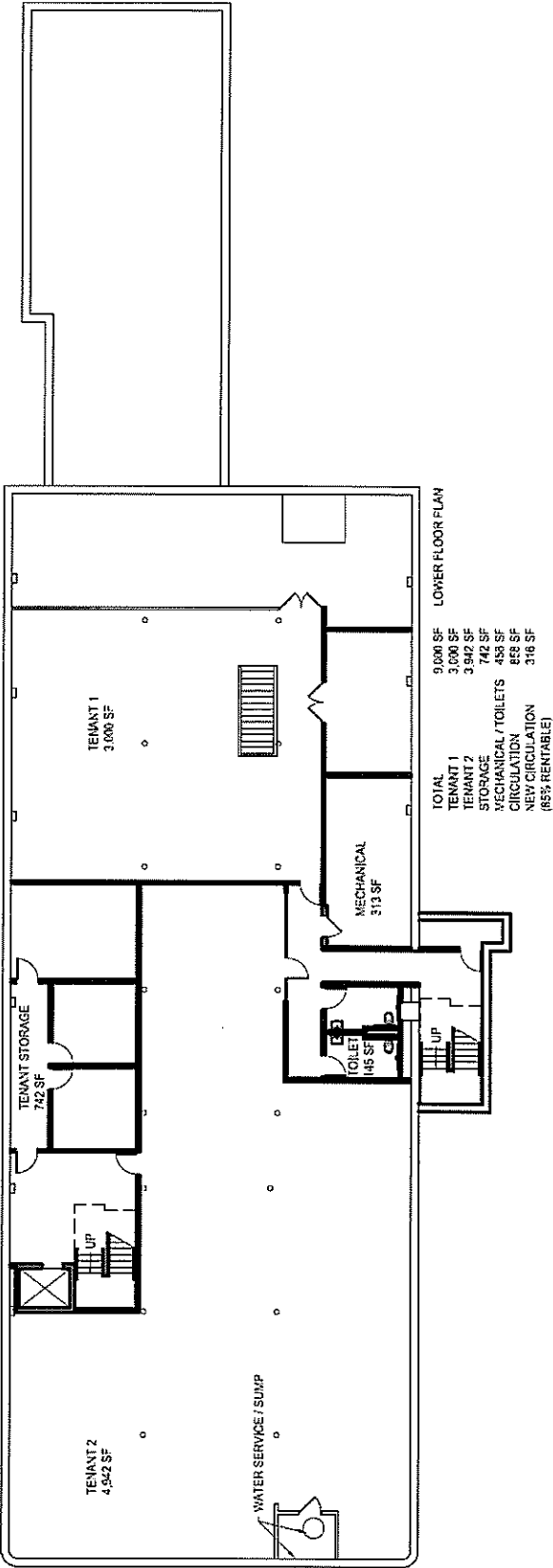


XX WEST ELEVATION  
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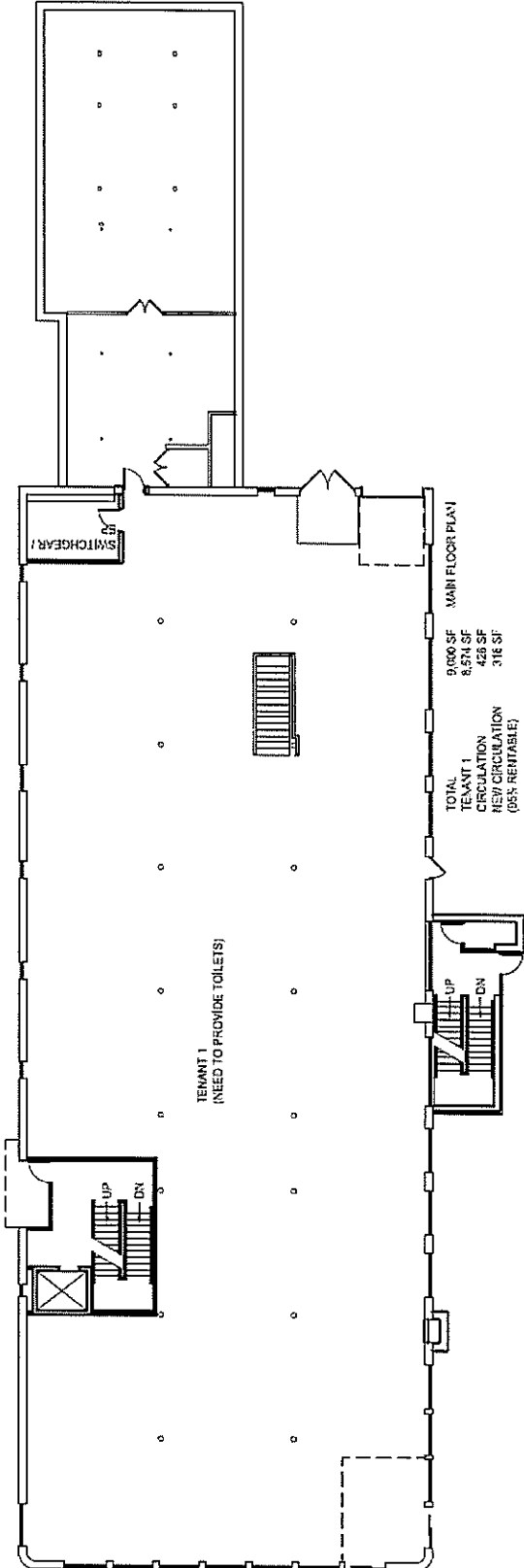


XX EAST ELEVATION  
Scale: 1/8" = 1'-0"

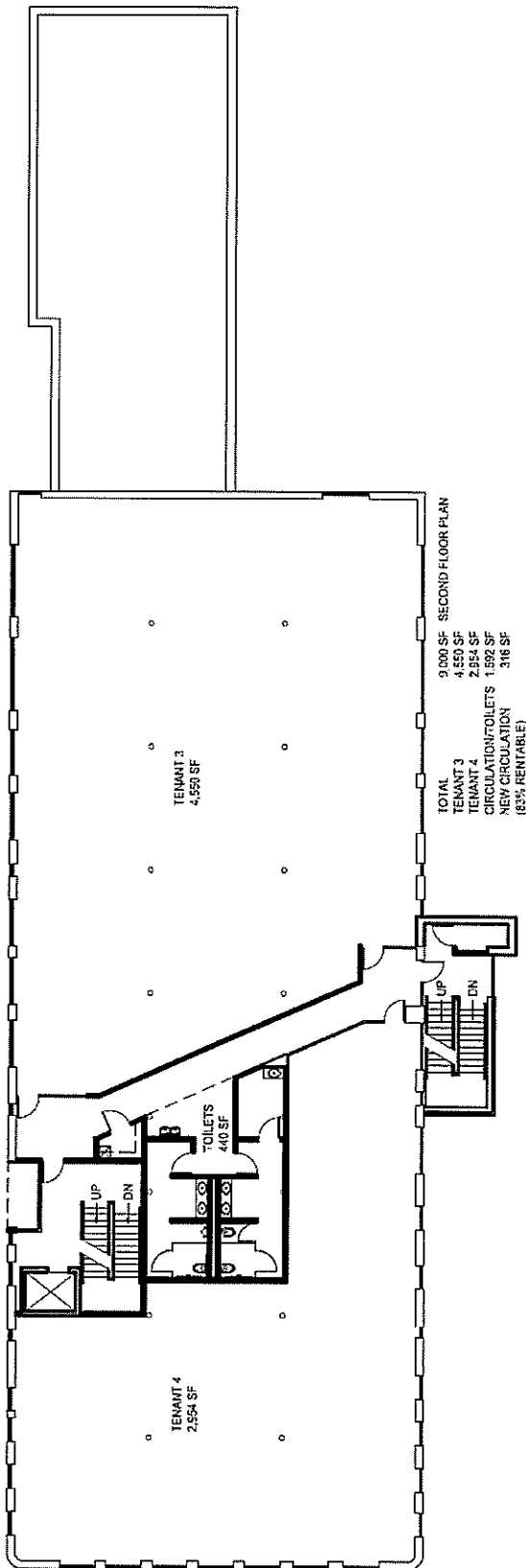
Lower Level



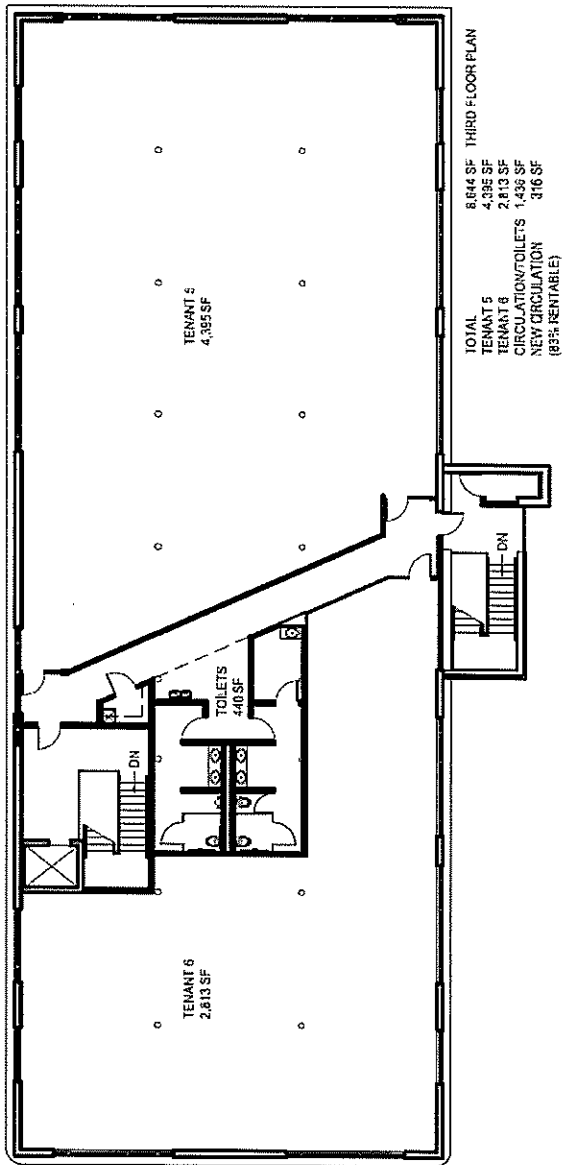
Main Floor



Second Floor

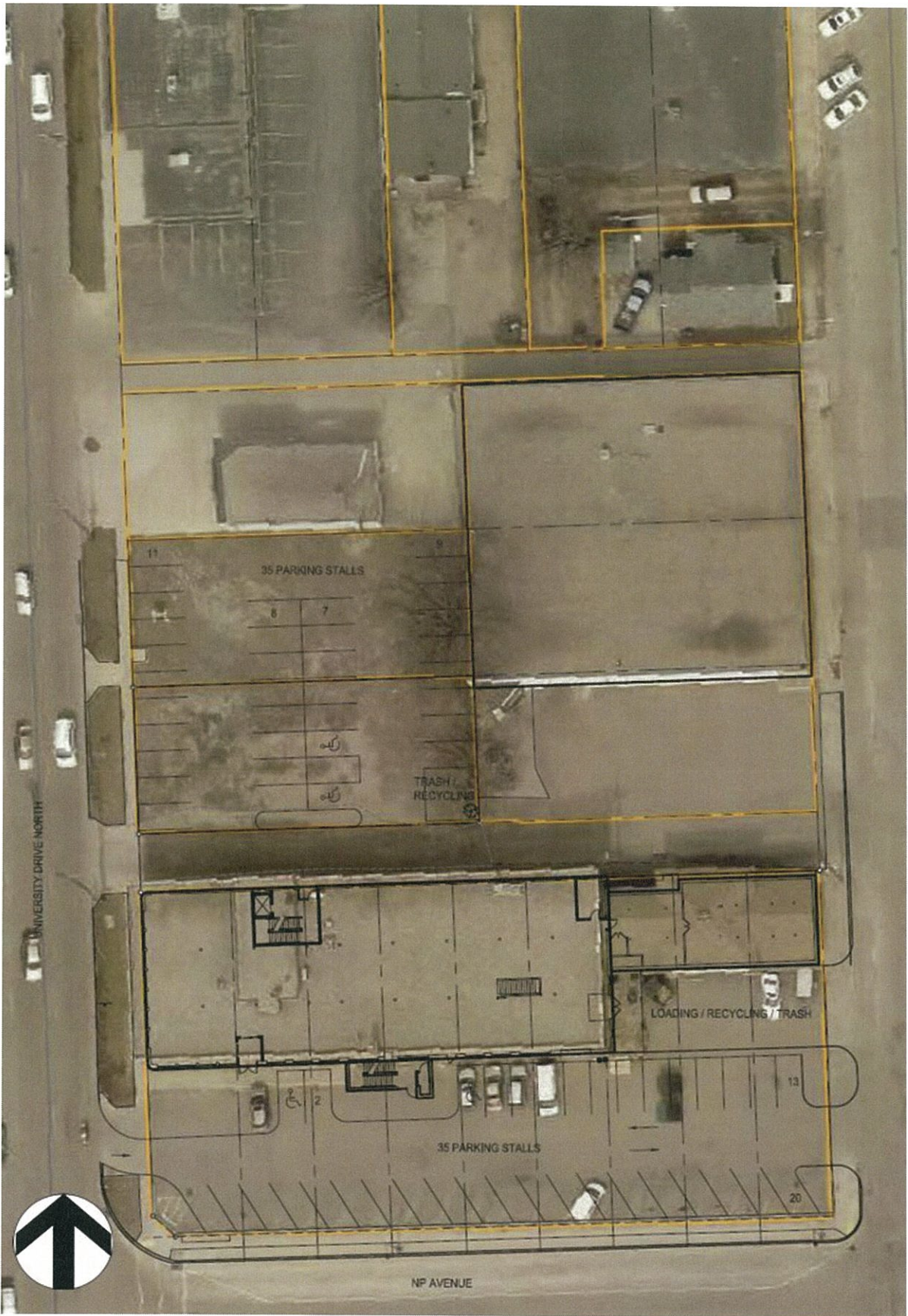


Third Floor (new construction)





Site Plan





## PLANNING AND DEVELOPMENT

200 Third Street North

Fargo, North Dakota 58102

Phone: (701) 241-1474

Fax: (701) 21-1526

E-mail: [planning@cityoffargo.com](mailto:planning@cityoffargo.com)

[www.cityoffargo.com](http://www.cityoffargo.com)

### MEMORANDUM

**TO:** Renaissance Zone Authority

**FROM:** Joe Nigg, Senior Planner

**DATE:** March 4, 2016

**RE:** Expanded RZ Boundary

#### Attachment 2

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**Background.** At the April, July and December meetings the Renaissance Zone Authority (RZA) discussed the implications of the most recent changes to the Renaissance Zone law that took effect August 1. In short, the City has the ability to increase the RZ boundary from 38 blocks to 49 blocks.

The proposed boundary is based primarily on analysis completed in the 2015 RZ Plan. A copy of the RZ Plan is available at: <http://www.cityoffargo.com/CityInfo/Downtown/RenaissanceZone/>

The attached memorandum provides additional detail on the changes.

**Boundary.** Attached is the proposed boundary for RZA consideration. Note that the proposal includes a total of 46 blocks with the retention of 3 blocks as inventory.

**Public Input.** At the December meeting, City staff presented a draft boundary and received direction from the RZA to proceed with public outreach efforts to solicit input and feedback on the proposal. A public input meeting was held on February 25<sup>th</sup> and provided an opportunity for property owners and stakeholders to provide input on the expanded boundary. Approximately ten (10) individuals attended the meeting – with a majority interested in learning more but no specific or formal comments. The City also posted the attached memorandum and map on the City website in addition to sending out notices through the various Downtown Community Partnership (DCP) communication channels, including social media.

The City did receive one comment from a local developer requesting that Block 45 (Family Fare) and the Fargo Park District property at 1202 7<sup>th</sup> Ave N be included in the boundary. Although the proposal does not currently include these blocks, the RZA would have the ability to accommodate a future project with any of the 3 blocks that have been kept as ‘inventory’ and ‘satellite block’ provisions as set forth in statute.

**Suggested Motion.** To approve the expanded RZ boundary as proposed and to forward the recommendation to City Commission for final consideration.



## **MEMORANDUM**

**DATE:** February 18, 2016  
**FROM:** Fargo Planning Department  
Joe Nigg, Senior Planner  
**RE:** Expanded Renaissance Zone Boundary

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**Renaissance Zone.** In 1999 the Renaissance Zone (RZ) program was approved by the North Dakota Legislature and signed by the Governor. The program established the framework for property and income tax exemptions with the intention of enhancing economic growth and investment opportunities in downtown business districts in North Dakota. The City of Fargo adopted its initial RZ Development Plan in 1999 which included a total of 20 blocks. The program has continued to gradually evolve over the years and as a result Fargo has modified the boundary five (5) times to align with changes to the law, block caps and shifting dynamics in the downtown area.

**Senate Bill 2329.** As part of the North Dakota 64<sup>th</sup> Legislative Assembly a bill was introduced to amend certain sections of the North Dakota Century Code to increase the cap on the number of blocks that could be included in a Renaissance Zone. Most recently the cap was set at 23 blocks with an exception included for cities with a population in excess of 5,000 - an additional block was allowed per each additional 5,000 population count to a maximum of 38 blocks. Thus, from 2007 to 2015 the City of Fargo has operated under a 38 block cap.

The new language will set the base cap at 34 blocks and will allow a maximum RZ boundary of 49 blocks. The Governor signed the bill on April 2, 2015 and thereby effective August 1, 2015 the City of Fargo has the ability to increase the RZ boundary from 38 blocks to 49 blocks.

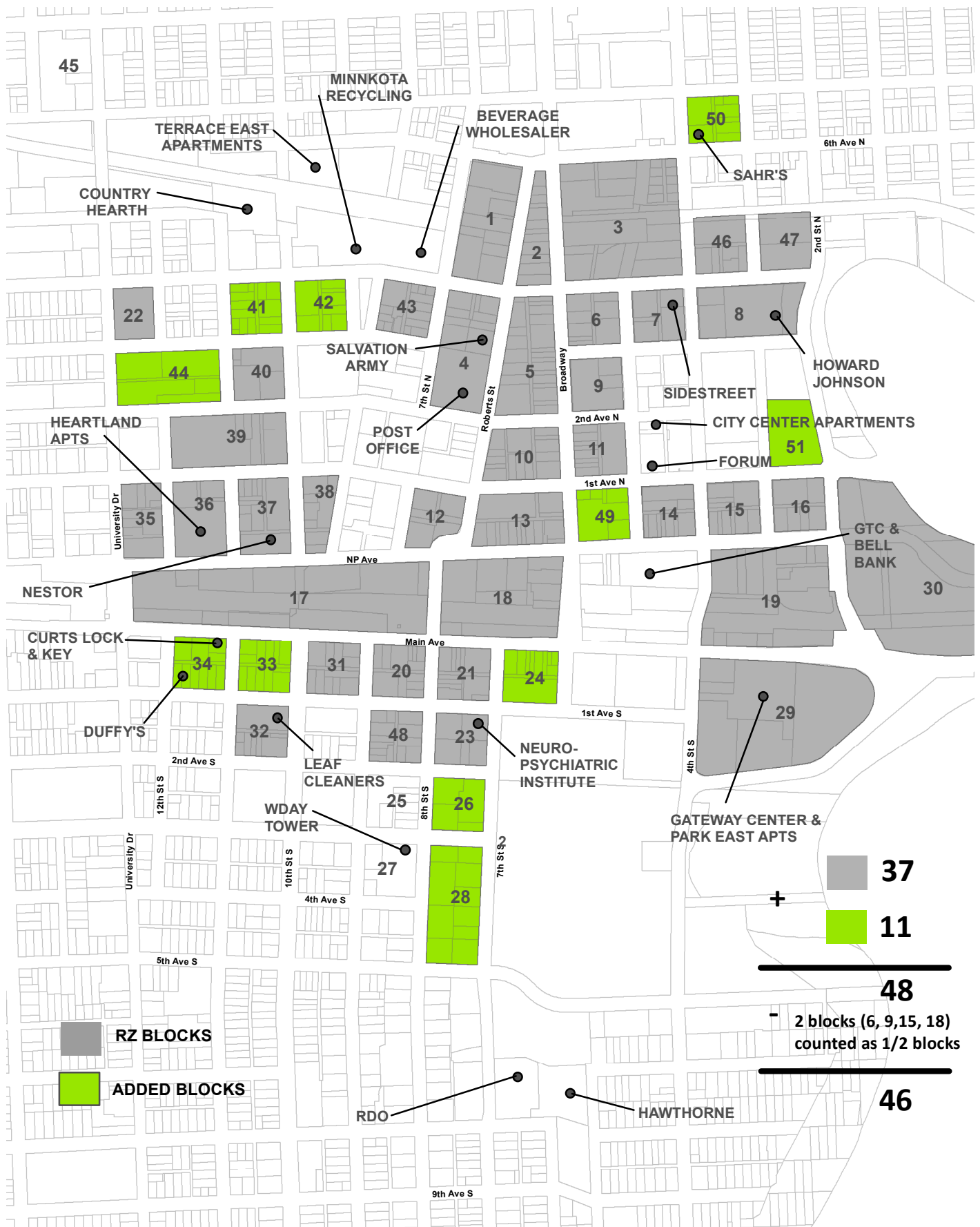
**2015 Renaissance Zone Development Plan.** In 2014 the Renaissance Zone Authority (RZA) completed an update of the RZ Development Plan as required by statute in order to extend duration of the RZ program for an additional five (5) years. As part of the process to update the Plan, the RZA completed a comprehensive analysis to determine which downtown blocks held the most redevelopment, rehabilitation and/or investment potential based on a study area boundary generally bounded by 7<sup>th</sup> Ave N, 14<sup>th</sup> St, 9<sup>th</sup> Ave S and the Red River. This study area encompassed over 110 blocks. Ultimately, the RZA narrowed the list of candidate blocks to a total of 49. The Plan documented these 49 blocks as all being viable RZ blocks with opportunities for future RZ projects.

**Proposed 'EXPANDED' RZ Boundary.** The expanded RZ boundary is primarily based on the 49 block framework set forth in the 2015 RZ Plan; although a few deviations have been included specific to Blocks 25, 27, 45, 50, 51. In addition, note that the expanded boundary only encompasses a total of 46 blocks thereby continuing the policy of retaining three (3) blocks as inventory which allows the City the ability to be more flexible to accommodate potential RZ appropriate projects in other areas of the downtown core.

**Map.** See attached PDF (draft expanded RZ boundary)

**Comments or Feedback.** Questions or written comments can be directed to Joe Nigg, Fargo Planning Department at 241.1473 or by email at [jnigg@cityoffargo.com](mailto:jnigg@cityoffargo.com).

# RENAISSANCE ZONE BOUNDARY [ DRAFT DEC 2015 ]

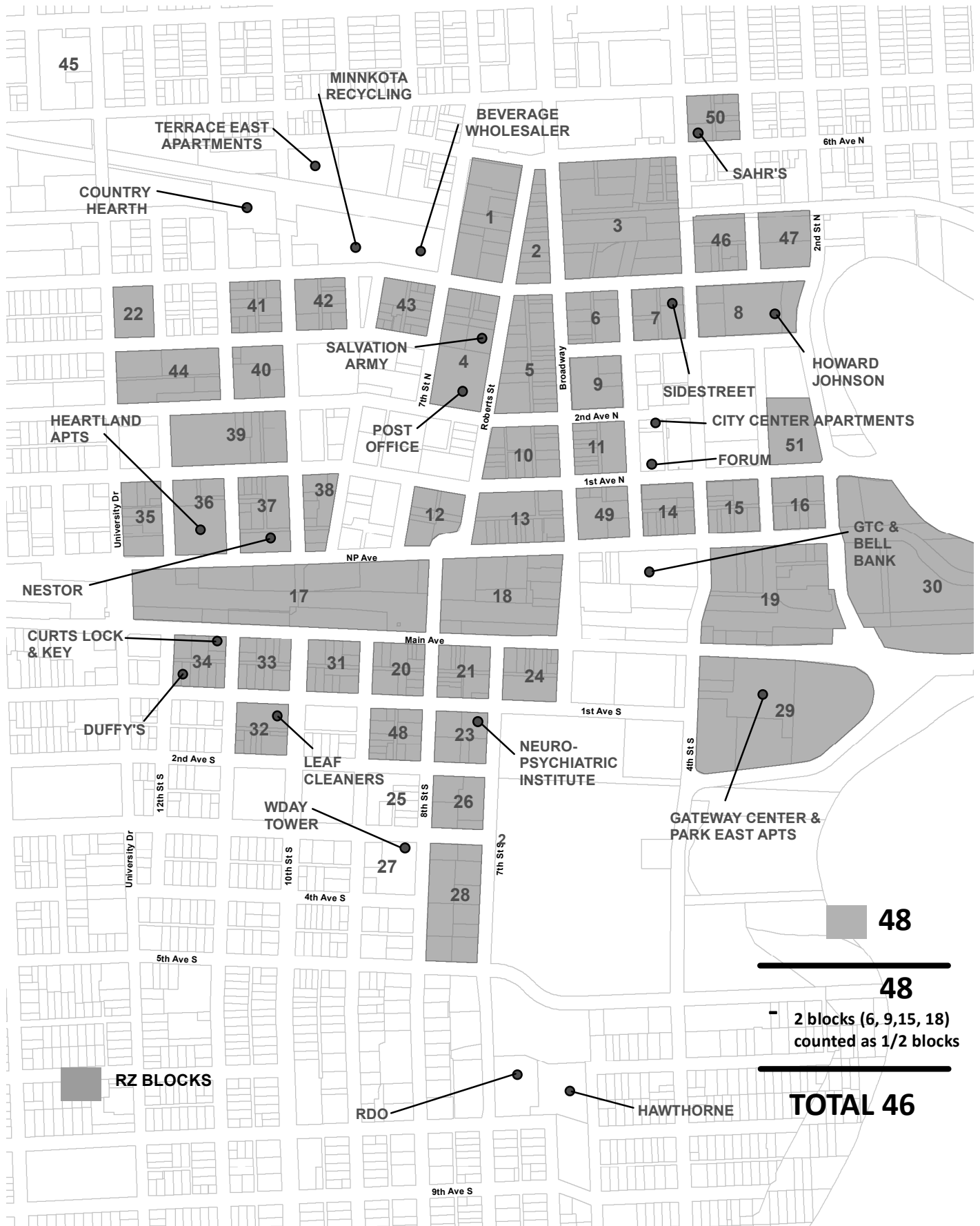


Previous Block No's - 3, 4, 10, 13 and 15 accounted for as 1/2 blocks

Total RZ Blocks - 35 / 38

NOVEMBER 2014

# RENAISSANCE ZONE BOUNDARY



Previous Block No's - 3, 4, 10, 13 and 15 accounted for as 1/2 blocks

Total RZ Blocks - 46 / 49

MARCH 2016



## PLANNING AND DEVELOPMENT

200 Third Street North

Fargo, North Dakota 58102

Phone: (701) 241-1474

Fax: (701) 21-1526

E-mail: [planning@cityoffargo.com](mailto:planning@cityoffargo.com)

[www.cityoffargo.com](http://www.cityoffargo.com)

### MEMORANDUM

**TO:** Renaissance Zone Authority

**FROM:** Joe Nigg, Senior Planner

**DATE:** March 7, 2016

**RE:** **Update:** Downtown City Center Comprehensive Plan

#### Attachment 3

**Background.** Over the last several of years there has been an on-going conversation amongst a number of stakeholders as to different downtown master planning needs and ideas. There have been prior “master planning” efforts in Fargo although these plans have been higher elevation long range planning documents with a focus generally on visioning, idea generation and catalyst project identification. The last framework plan was completed in 2007. The practical gap is an operational level ‘strategic plan’.

In December the City issued an RFP seeking proposals from consulting teams to lead a downtown planning effort to create a 20-year strategic plan or city center comprehensive plan. The intent of the project is to build upon past downtown planning efforts (ie. 2002 & 2007 Framework Plans, Riverfront Master Plan, etc) while also building on key initiatives outlined within the GO2030 Comprehensive Plan. The City is seeking a blueprint and strategic plan that will guide public infrastructure, public and private investment and decision making in the downtown area. This planning effort will require a strong public engagement process.

Pursuant to the RFP, the City’s goals are three-fold:

1. To set a vision to drive investment;
2. Establish a blueprint to guide public infrastructure and investment;
3. Coordinate decision making across City departments and between the public and private sector.

The submission deadline was January 29<sup>th</sup> and the City received eighteen (18) proposals. A selection committee appointed by the City Commission has narrowed the list to five (5) finalists, as follows:

- Hoisington Koegler Group Inc (Minneapolis)
- BNIM (Kansas City)
- Skidmore, Owings and Merrill LLP (Chicago)
- Urban Design Associates (Pittsburg)
- Interface Studio (Philadelphia)

Each of these consulting teams have been offered an invitation for an in-person interview which will be conducted on March 17<sup>th</sup> and 18<sup>th</sup>. The individual proposals from each of the five consulting teams are located at the below link:

<http://www.cityoffargo.com/CityInfo/Downtown/DowntownMasterPlanning/>

**RFP.** Attached is a copy of the RFP. As noted above, the intent of the effort is to further build upon past planning efforts and the GO2030 Comprehensive Plan while also creating a cohesive plan that focuses on the following topic areas:

1. Vision and branding;
2. Market Data;
3. Transportation;
4. Economic Development;
5. Land Use;

6. Parking;
7. Infrastructure.

**Next Steps.** The City will conduct in-person interviews on March 17<sup>th</sup> and 18<sup>th</sup> and the selection committee is intending to have a recommendation formulated and forwarded to City Commission in March. City staff anticipates that a contract and scope of work will take a few weeks to finalize and the intent would be to have these documents to City Commission in early April for review and consideration.



**CITY OF FARGO**  
**REQUEST FOR PROPOSALS**  
*Published: December 14, 2015*

## **DOWNTOWN FARGO – CITY CENTER COMPREHENSIVE PLAN**

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**I. INTRODUCTION**

The City of Fargo, North Dakota is seeking a multi-disciplinary and dynamic consultant team to lead a downtown planning effort to create a coordinated and thoughtful strategic plan that builds upon efforts outlined in GO2030 (Fargo Comprehensive Plan), examines relationships and generates a cohesive plan to address the following: vision/branding, market data, transportation, economic development, land use, parking and infrastructure. The strategic plan will require a strong public engagement process. As an end product, the City is looking for a visioning document and a blueprint to guide public infrastructure, investment and decision making in the downtown area.

**II. PLAN GOALS**

1. To set a vision to drive investment;
2. Establish a blueprint to guide public infrastructure and investment;
3. Coordinate decision making across City departments and between the public and private sector.

**III. GENERAL BACKGROUND**

Fargo, with a population of 115,863, serves as a regional economic hub for the Upper Plains with specific strengths in the education, medical, agricultural and retail industries. The community has continually been recognized among the best places in the country to live, work, attend school and conduct business.

Fargo's downtown core has experienced a significant renaissance after suffering for many decades as a result of shifting demographic, cultural and economic norms. The downtown core has seen property values rise by nearly 195% since 1999 and potential or pending investments in the downtown core could be unequivocally staggering in the next several years. Throughout the last several decades the City has completed a handful of master planning efforts in the downtown core; however, these efforts have been high elevation and most of the recommendations have been completed and/or are no longer appropriate. More importantly, there has not been a comprehensive effort to align the "visioning" aspect of downtown planning with more specific sub-area planning or fundamental details to more closely guide decision making and implementation.

More recently, shifting trends in the downtown area has resulted in an engaged and active demographic with a median age much less than previous plans contemplated. Economies have shifted towards start-up and technology with the inclusion of young entrepreneurs. The addition of arts, placemaking and additional housing has brought forth energy that has not been captured or leveraged as part of past planning efforts.

**IV. SCOPE OF WORK**

As envisioned by the City, the scope of work would be focused on the preceding seven (7) items. The topic areas below are only intended to serve as a framework for the scoping and proposal process; with a few corresponding notes for additional clarity. The intent of this skeleton outline is to provide as much opportunity and flexibility for a consultant to outline a proposal and process that will meet and/or further advance the City's goals.

- A. Vision & Branding. See plan goals outlined above, specifically Goal #1. In terms of branding, this potentially includes two items: (1) branding the master planning process; and more importantly (2) creating a brand as part of this effort that can be used as an economic development tool.



- B. Market Data. A sophisticated compilation of demographic, socio-economic and possibly most importantly market and real estate data that can be used to support economic development initiatives.
- C. Transportation. The City intends to re-construct a majority of the downtown roadways within the next 10-15 years. With this unique opportunity the City is anticipating the need for a community developed strategic plan that sets the vision and framework for how the downtown roadway network will function; with consideration to redevelopment and investment potential by block as well as overall roadway functionality, parking, transit, bicycle/pedestrian infrastructure, aesthetics and streetscape; and with an increased focus on bicycle/pedestrian movements and complete streets.
- D. Economic Development. In the next 15-20 years the success of the City and the downtown area will be dependent on the ability to facilitate and stimulate infill projects. This component of the plan should build upon existing economic development infrastructure such as the Renaissance Zone (RZ).
- E. Land Use / Redevelopment. The plan should identify urban design opportunities based on land dynamics and economics – such as opportunities to frame block corners, increase density, establish ground floor retail or commercial and improve building coverage – with consideration to customized incentives and applicable form based code concepts. The City does want to be cognizant of gentrification and providing housing for mixed incomes.
- F. Parking. This component of the effort needs to address a wide range of parking program items including management strategies, operations and technology integration. Furthermore, the community needs to be engaged in discussing the relationship between parking and economic development and to ultimately formulate a plan to provide and fund parking in the downtown core based on various growth and investment scenarios.
- G. Infrastructure. Plan integration with City infrastructure capacity planning.

## V. PROPOSAL CONTENT

- A. Proposal: The intent of the RFP is to assess and evaluate each respondent's capabilities, qualifications and work proposal. Proposals will be evaluated based on the criteria outlined in this RFP. Interested respondents shall include a memorandum formalizing said interest **and** shall also include the following:
  - Cover Letter: A letter signed by a principal or authorized representative whom can make legally binding commitments on behalf of the entity or project team.
  - Experience/Qualifications: A profile of the respondents experience, personnel and history respective to the primary objectives outlined above and any variations, additions or modifications to the scope as may be proposed by the respondent.
  - Proposal: Proposals shall include a narrative description that outlines the proposed process and schedule to complete the project.
  - Work Product Examples: Proposals should include examples of work products (not entire reports) to provide the selection committee with a representative sample of expertise, artistry, creativity, technique, etc.
  - References: At least three (3) references to clients whom have had similar work completed within the last five (5) years.
  - Fee: Proposals shall outline the corresponding fee for services.

## VI. RFP SCHEDULE AND PROCESS

- A. Proposals will be accepted up until 4:30 p.m. on Friday January 29<sup>th</sup>, 2016. Proposals should be directed to the following address or submitted electronically (PDF) to the City of Fargo at

[planning@cityoffargo.com](mailto:planning@cityoffargo.com). Any questions can be directed to Joe Nigg, City of Fargo Planning Department by phone at 701.241.1473 or by email at [jnigg@cityoffargo.com](mailto:jnigg@cityoffargo.com).

*City of Fargo  
Attn: Planning Department  
200 3<sup>rd</sup> Street North  
Fargo, North Dakota 58102*

B. Schedule of Dates:

Advertise for Consultant Proposals	12/14/2015
Deadline for Proposal Submission	01/29/2016
Review Proposals	(week of) 02/01/2016
Interviews / Contract Negotiation	(week of) 02/15/2016
City Commission Approval and Contract Execution	March 2016
Project Completed	December 2016

C. Selection Committee: The City of Fargo has designated a sub-committee that will serve as the selection committee for this RFP. Final review and any contract approval will be completed by the City Commission.

D. Criteria: The City of Fargo intends to award the contract to the firm which best meets the City's needs. The following criteria shall apply:

- Understanding of Project Objectives
- Past Experience and Demonstrated Technical Capabilities
- Key Personnel Assigned to the Project (Qualifications, Experience)
- Team Composition
- Proposal (work plan, process, schedule) and Corresponding Fee for Services

VII. TERMS / CONDITIONS

A. The City reserves the right to reject any or all proposals or any proposal in whole or in part.

VIII. RESOURCES

See [www.cityoffargo.com](http://www.cityoffargo.com) for a comprehensive list of downtown resources, past plans and applicable planning efforts.