



**PLANNING AND DEVELOPMENT**

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**MEMORANDUM**

**TO:** Renaissance Zone Authority  
**FROM:** Derrick LaPoint, Planner  
**DATE:** April 21, 2017  
**RE:** Renaissance Zone Authority Meeting Agenda

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**RENAISSANCE ZONE AUTHORITY**  
**Wednesday, April 26, 2017 at 8 a.m. (City Commission Room)**  
**Agenda**

1. Approve Order of Agenda
2. Approve Minutes: Regular Meeting of April 5, 2017 (Attachment 1)
3. Review application from Jade Companies (Rehabilitation) located at 18 13½ Street North (Attachment 2)
4. Review application from Jade Companies (Rehabilitation) located at 30 University Drive North (Attachment 3)
5. Legislative Update
6. 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:**

**Tuesday:**

**April 5, 2017:**

The Regular Meeting of the Renaissance Zone Authority of the City of Fargo, North Dakota, was held in the City Commission Room at City Hall at 8:00 o'clock a.m., April 5, 2017.

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

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

Absent: None

Chair Mathern called the meeting to order.

### **Item 1: Approve Order of Agenda**

Chair Mathern presented and asked for any additions or corrections to the agenda. Hearing none, she stated the agenda stands approved as presented.

### **Item 2: Minutes: Regular Meeting of February 22, 2017**

Member Peterson noted a correction to the minutes. Member Piepkorn moved the amended minutes of the February 22, 2017 Renaissance Zone Authority meeting be approved. Second by Member Bresciani. All Members present voted aye and the motion was declared carried.

### **Item 3: Review Application from Northland Hospitality, LLC (New Construction) at 301 3rd Avenue North: APPROVED**

Planner Derrick LaPoint presented this item and noted a correction to the staff report referring to Block 10, which should read Block 8. Mr. LaPoint stated staff is recommending approval as the proposal does meet the guidelines and all required approval criteria.

The Board discussed additional parking availability; existing storm water policy in the DMU, Downtown Mixed Use zoning districts; and the proposed legislative changes that may affect this application.

Applicant Kevin Hall spoke on behalf of the application.

Member Piepkorn moved to approve the application submitted by Northland Hospitality, LLC, and to grant the property tax exemption and the State income tax exemptions as allowed by the North Dakota Renaissance Zone law, contingent upon completion of the project and verification of costs. Second by Member Swiontek. On call of the roll

Members Piepkorn, Luchau, Furness, Swiontek, Peterson, Grindberg, Bresciani, and Mathern voted aye. The motion was declared carried.

**Item 4: Review Request from Rick Nymark to add one (1) additional RZ “Candidate” Block: APPROVED**

Derrick LaPoint reviewed the request stating staff is recommending approval to add Block 54 to the City’s Renaissance Zone Plan.

Board discussion ensued regarding staff’s review of the current Renaissance Zone Map; the process staff follows to determine their recommendation for changes to the map; what the term “candidate block” means; and the request for staff to provide an updated map at the next meeting.

Member Furness moved to approve the request of the addition of the proposed Renaissance Zone Block 54 as a “candidate” block as recommended by staff. Second by Member Luchau. On call of the roll Members Luchau, Swiontek, Grindberg, Piepkorn, Furness, Bresciani, and Mathern voted aye. Member Peterson abstained from voting. The motion was declared carried.

**Item 5: Review Request from Jade Companies to add/move two (2) additional RZ Blocks: APPROVED**

Derrick LaPoint briefly reviewed this item, that was discussed at the February 22, 2017 Renaissance Zone Authority meeting. He stated staff is recommending approval with the request to remove Block 40 from the existing Renaissance Zone Boundary, to remain within the cap of 49 blocks total.

Commissioner Grindberg asked if staff had received any concerns from area property owners. Mr. LaPoint stated no opposition has been received to-date.

Member Grindberg moved to approve the request of the addition of the proposed Renaissance Zone Blocks 52 and 53, and the removal of Renaissance Zone Block 40, as recommended by the staff. Second by Member Bresciani. On call of the roll Members Grindberg, Peterson, Piepkorn, Swiontek, Furness, Luchau, Bresciani, and Mathern voted aye. The motion was declared carried.

**Item 6: City of Fargo Zone Plan Amendments: APPROVED**

Derrick LaPoint reported staff has contacted the State to confirm the process when requesting amendments to the existing Renaissance Zone Plan and Map. He stated the following documents are required: an updated map and property inventory list (copies are included in the packet), and a notification letter of the proposed changes to be mailed to the area property owners. Mr. LaPoint stated upon approval from this Board and the City Commission, a formal packet and request will be submitted to the State for final approval.

Member Peterson shared the following suggestions after reviewing the existing RZ map: focus on the RZ blocks that have met or are near completion of their goals; revisit the

RZ blocks with no development or activity in the past 10 to 15 years, and notify the owners with the options to either begin rehab or development, or to remove their block from the map to allow other viable areas the opportunity to be added.

The Board further discussed the following: opportunities for continued success under the City's RZ Plan; utilizing the Downtown Plan as a guide for decisions on the next steps taken for the RZ areas; adding markers to the RZ map to identify the various stages of development of the existing RZ approved projects; and reviewing the RZ map every two (2) years to reevaluate and make the needed changes.

Member Peterson moved to recommend to the City Commission approval of the proposed Renaissance Zone boundary changes as presented. Second by Member Furness. On call of the roll Members Piepkorn, Luchau, Furness, Swiontek, Peterson, Grindberg, Bresciani, and Mathern voted aye. The motion was declared carried.

**Item 7: Legislative Update**

Planning Director Jim Gilmour presented an update on the two bills that would affect the City's existing Renaissance Zone Plan and staff's review process of applications received.

Mr. LaPoint added staff is also informing any new applicants how the two Bills could affect their proposals.

**Item 8: Other Business**

Derrick LaPoint stated staff is expecting Renaissance Zone applications for the April 24, 2017 Renaissance Zone Authority meeting.

The time at adjournment was 9:55 a.m.



**Staff Report  
Renaissance Zone Application for  
18 13 ½ Street North (260-F)  
701 Collective**

**Project Evaluation:**

The City of Fargo received a Renaissance Zone application from 701 Collective LLC to rehabilitate the existing structure at 18 13 ½ Street North. Pursuant to the application, the intent of the project is to complete extensive exterior and interior renovations to a former CHS processing plant. The building is 1 level and includes approximately 13,179 commercial square feet. The rehabilitation would renovate and update the building to provide commercial space for a theater and brewpub/restaurant. Overall, the building improvements would include significant capital costs relating to structural alterations, window and door replacement, updating electrical, HVAC, and plumbing.

The construction would begin in the spring or summer 2017 with the goal of completion 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 53 is identified as: *redevelopment and Infill; mixed-use, art center, commercial*. As proposed, the project will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:

1. *Activity Generator [goal]:* Develop activity-generating enterprises near Renaissance Zone's major commercial corridors: University Avenue North and NP/1<sup>st</sup> Avenue.

**The project is located on 13 ½ Street North and is a near a prominent entry points into downtown. Significant investment to the existing industrial space will increase the activity in this corridor.**

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 along the corridor. There are many new shops and dining opportunities near this subject location. Added improved commercial spaces will attract more businesses that may not be able to afford prime real estate along Broadway.**

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 project will include the renovation of the ground floor and curb appeal of the property to create a variety of commercial uses to encourage street activity.**

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

**Many residents use 1<sup>st</sup> Avenue North as a gateway into downtown Fargo. Shops, restaurants and other amenities create a neighborhood center for people to gather.**

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

**The property is one block away from a transit stop and will provide ADA compliant entrances. The location and the ADA compliant infrastructure will allow the entire area to be more user-friendly and manage downtown transportation issues by promoting another mode choice for a transportation option.**

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 will be working and visiting this area resulting in a more lively and active street. The activity and enhanced aesthetics from the improvements to the property will provide more natural surveillance will be provided to increase the safety of the area.**

8. *High Quality Housing [goal]:* Continue to encourage the production of unique high quality housing that is developed in areas targeted for residential development or as a component of a mixed-use project.
9. *Infill [goal]:* Encourage and actively pursue projects that increase the productivity of underutilized property such as surface parking lots, vacant land and parcels with low building to land value ratios. Infill projects shall conform and be consistent with urban design principles as set forth in Goal 5, above..

**The project is an infill project in that it will repurpose an existing, underutilized building for more intense uses.**

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 13 ½ Street North along 1<sup>st</sup> Avenue North. 1<sup>st</sup> Avenue North is used by cars, bikers and pedestrians to enter into downtown Fargo.**

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

**The proposed project will provide a key downtown entertainment, cultural, and recreational destination. The project proposes repurposing an under-utilized building to provide performance art and restaurant services.**

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

**The proposed project will provide a social venue where connections between people can be established and contribute to a strong sense of community.**

(8/10 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?:

**Proposed improvements will include: structural alterations, window and door replacement, updating electrical, HVAC, and plumbing. 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 \$544,600. The applicant has proposed a total rehabilitation investment of \$529,913 which exceeds the required 50% investment guideline. These improvements will result in \$40.20 per SF (RZ minimum is \$25 per SF for residential and \$40 per SF for commercial) being invested into the existing space.**

(10/10 points)

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

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

**According to the application, the structure accommodates 13,179 square feet. The application estimates a total capital investment of \$529,913, which calculates to approximately \$40.20 per SF.**

(10/10 points)

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

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

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

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

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

***Primary Sector Business:*** N/A

***Active Commercial, Specialty Retail or Destination Commercial:*** The project is located near 1<sup>st</sup> Avenue North, near a prominent entry point into downtown. Significant investment to the existing industrial building to create multiple and various commercial spaces that complement each other will increase the activity in this corridor. Renovations will allow the building to acquire more employees and attract more visitors.

***Mixed Use Development:*** The proposed project will allow for a mix of commercial (performance art and restaurant) and industrial uses (brewery manufacturing and production).

(6/10 points)

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

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

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

(5/5 points)

- 2) Parcels specifically targeted for clearance:

**The RZ Plan designates Block 53 as being appropriate for redevelopment and infill; mixed-use, art center, commercial. The proposed project meets these objectives by redeveloping an existing building for a mix of uses, including commercial uses and an art center.**

(5/5 points)

(10 / 10 points)

**Line 11:** The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation:

**This project will enhance and strengthen the 1<sup>st</sup> Avenue North corridor by renovating an existing structure into an updated mixed-use development. 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 fringe.**

(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 \$529,913.**

(10 / 10 points)

**Line 13:** Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community:

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

(10 / 10 points)

**Line 14:** Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?

**This property is located outside the boundary of the Downtown Historic District. The proposed rehabilitation project will create an entertainment destination for Fargo residents.**

(8 / 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 \$25 per SF capital improvement threshold for residential rehabilitation and \$40 per square foot capital improvement for commercial rehabilitation. New construction must meet \$100 per square foot capital investment threshold.**



**This project is consistent with the RZ Plan as activity generators and walkable districts are important initiatives highlighted in the plan. The proposal will increase activity and add to the existing neighborhood center along 1<sup>st</sup> Avenue North.**

**The amount invested in the project exceeds state and local guidelines. The project does not involve the relocation of commercial businesses from another North Dakota city. The applicant is not seeking historic preservation tax credits. 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 701 Collective and grant the property tax exemption and the State income tax exemptions as allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.**

**Renaissance Zone Scorecard**  
**Minimum Criteria (Rehabilitation Project)**

		Possible Rating	Staff Rating
1	Use consistent with the plan (as per Vision and Goals)	10	8
2	Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building	10	10
3	Re-investment that totals no less than 50 percent of the current true and full valuation of the building	10	10
4	The investment totals at least \$40 in capital improvements per square foot for commercial properties or \$25 in capital improvements per square foot for residential properties (The authority may waive the square foot investment requirement for certain projects)	10	10
<b>Minimum Criteria (Proposals involving new construction or additions)</b>			
6	Use consistent with the plan (as per Vision and Goals)	N/A	NA
7	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	N/A	NA
8	Tenant must be leasing space in a building that has been approved as a Zone project	NA	NA
<b>Project Review Guidelines</b>			
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>	10	6
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>	10	10
11	The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation: <ul style="list-style-type: none"> <li>• Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration</li> <li>• Demonstrated commitment to strengthening pedestrian corridors and issues of "connection"</li> <li>• Attention to streetscape amenities</li> <li>• Contribution to street activity</li> </ul>	10	10
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	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	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	8
<b>Total Rating (100 possible points)</b>		<b>100</b>	<b>92</b>



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**APPLICATION FOR RENAISSANCE ZONE**

Property owners, business owners, developers or investors interested in pursuing a Renaissance Zone project should review the *2015 RZ Plan*. The RZ Plan outlines the current boundaries of the program (only certain blocks within the downtown core are included) and also provides additional detail on minimum investment requirements and applicable program goals and objectives that must be met.

Property Owner Information	Representation Information (if applicable)
Name (printed): <u>701 Collective</u>	Name (printed): <u>Lee Schwartz</u>
Address: <u>302 N University, Fargo</u>	Address: <u>302 N University, Fargo</u>
Primary Phone: <u>701 298 0071</u>	Primary Phone: <u>701 306 4497</u>
Alternative Phone: _____	Alternative Phone: _____
Fax: <u>877 280 8477</u>	Fax: <u>877 280 8477</u>
Email: <u>Jade@jadecompanies.com</u>	Email: <u>Lee@jadecompanies.com</u>

Location of property involved in the application decision
Address: <u>18 13 ½ Street North</u>
Legal Description (attach separate sheet if more space is needed): _____
<b>Block 21, Lots 6 thru 11 Reeves Addition</b>
<b>*10/13/06 COMB/FR 01-2340-0315-000 &amp; 01-2340-03120-000</b>

Project Description (new construction, rehabilitation or lease with brief project summary)
Rehabilitation of a building. Formerly the CHS Sunflower Processing Plant, this property is being planned to host a successful local theater company and a new (or existing) Brewery/Brewpub.

Acknowledgement – We hereby acknowledge that we have familiarized ourselves with the rules and regulations to the preparation of this submittal and that the forgoing information is true and complete to the best of our knowledge.	
Owner (Signature): <u>[Signature]</u>	Date: <u>4/17/17</u>
Representative (Signature): <u>[Signature]</u>	Date: <u>4/17/17</u>

Office Use Only
Date Filed: _____ Planning Office Contact: _____



**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.**

18 13 ½ Street North

Lot 6 thru 11

Block 21 Reeves

Renaissance Zone (Proposed) Block 53

Parcel # 01-2340-03153-000

2. **Current property owner(s).**

701 Collective

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

701 Collective

302 N University Drive

Fargo, ND 58102

FED ID #: [REDACTED]

Entity: LLC

4. **Current use of property**

The last tenant of the building was CHS Sunflower, who operated as a sunflower seed processing plant.

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

Lot: Approximately 16,000 square feet

Building: 13,179 square feet (only one level)

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

This property has no impact on any historical properties.

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

Purchase with Major Improvements

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.**

**Please provide a break out of "capital improvements", as defined in Attachment B, and justification that the project will meet the City's investment guidelines.**

18 13 ½ Street will need significant improvements to transform the structure from a factory to assembly areas, a theater, a brewery, and brewpub/restaurant. The current infrastructure will need to be removed, doors and windows will need to be moved and/or replaced. Existing office areas will be moved and/or updated. To accommodate the new tenants, a common (box office, lobby and bathrooms) area will be created. The assembly areas of the building will also need to be sprinkled, and a common utility room and electrical room will need to be implemented. Upgrades to the buildings HVAC and insulation will also be necessary. ADA compliant doors and bathrooms will be installed. A new water line will need to be run to meet the new need.

The property is currently assessed at \$42,000 for the land, and \$502,600 for the improvements.

Renovations to the building are estimated at \$529,913, which is \$40.20 SF (RZ minimum is \$25 SF)

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

The building is planned to be split for multi-use, to include the following:

- A theater setup with stage, dressing rooms and backstage area—that will host a local theater company, be an event area for the other building tenant, and may be used to host private events.
- A brewery/brewpub concept that will include a food/beverage serving setup alongside a production facility.

Renovations will begin once leases are finalized. The theater is expected to open mid-August, and the brewery/brewpub would be completed mid-September.

**If this is a residential purchase project, will this be your primary residence?**

No

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

**Vision:**

This project is expected to be the hub of our significant investment into this neighborhood. By creating an "art center" out of a property that used to be only a functional warehouse & factory, the property is elevated not only in terms of aesthetics—but also in terms of traffic and image. The building lies near the First Avenue Corridor, which the City of Fargo has defined as a priority. This formerly non-descript space will be the proud home of two unique businesses that will enhance the entire downtown experience.

Blueprint Attached

**Economic Vitality:**

The upgrade to this facility will be a definite positive impact to the neighborhood and to the city center. The new tenants will bring more people to the perimeter of downtown,

and increase the image and awareness of the surrounding blocks. This will raise property values, and (over time) attract new business.

Improvements to the “edges” of downtown help strengthen the heart of downtown, and make it more-connected with the residential communities nearby.

**Housing Diversity:**

While this property will not impact residential availability, the overall investment into the neighborhood is expected to raise residential property values over time.

**Vibrant City Center:**

Walkscore.com rates (based on their criteria) this property as:

- 83 “Very Walkable”
- 73 “Very Bikeable”

This property is near University Drive and the new grocery co-op, and just one block off of the city bus route.

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

The building structure itself is expected to remain in place. Since the building is being rejuvenated as an art center, there will be significant improvements made to the east-side face of the building. Those improvements are expected to include resurfacing the steel siding, adding entrances (including ADA entrances), and improving the “curb appeal” of that side of the center.

Rendering attached.

**11. Describe how the project fits under the Zone’s development guidelines (Attachment D) High Priority Land Use**

The theater and brewery/brewpub will significantly increase the foot traffic and visibility than the previous business use for this location. Additionally, the building will provide a home for a theater company that is integral to the local art community.

**Targeted Areas**

The property is located just off of 1<sup>st</sup> Avenue, which has been recognized as a priority by the City of Fargo.

**Public Space**

The building has a high walkability and bikeability score, and is located convenient to other businesses with similar customer demographics.

**Investment**

The capital investment to transform the building is nearly 75% of the current value of the building.

**Relocation**

The theater company considering our location does not have the option of remaining in their current building. The breweries considering this location are not located within the current downtown area.

- 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 be sought for this project to support the significant upgrades to the exterior of the building. The remainder of the project 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.**

701 Collective will utilize a triple-net lease agreement for this property. Under this agreement, the tenant is responsible for all real estate taxes. As such, the tenants will be the benefactors of the five-year Renaissance Zone property tax abatement.

Current and True Value of Building: \$502,600

Current Annual Property Tax on Building: \$9433.79

Estimated Value of Building After Improvements: \$1,200,000

Estimated Five-Year Impact: \$113,400 (297.51 Mill Levy)

Potential Annual Income Tax Savings: \$1,000

- 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.**

This application has been completed and has been submitted. Request for proof of taxes paid has been requested.

**Attachments:**

Renovations Estimates

Artist Rendering of Front of Building

Blueprint

Copy of Application for RZ Certificate of Good Standing for Taxes Paid

**Submit Project Proposals to:**  
Department of Planning and Development, 200 N 3<sup>rd</sup> Street, Fargo, ND 58102  
Phone 701-241-1474



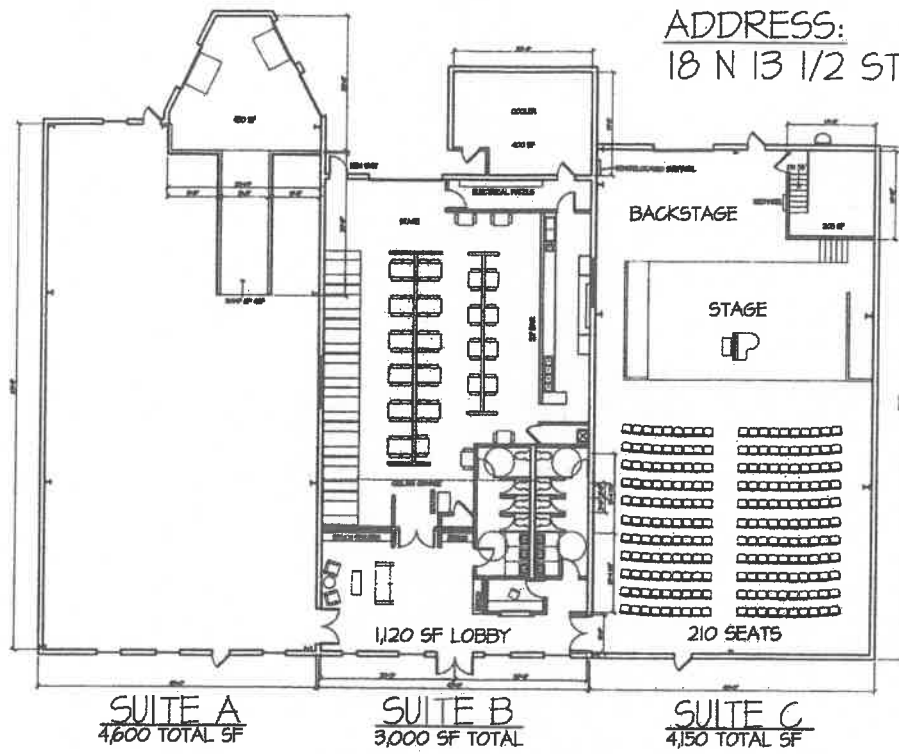


**BUDGET FOR RENOVATIONS**  
**18 13 ½ Street North**

Architecture / Engineering		\$15,000
Demo		\$20,000
Water to building	\$20,000	\$20,000
Exterior Finish	\$25,000	\$25,000
Windows / Doors	\$15,000	\$15,000
Entrance: Sidewalk/Awning/Doors	\$25,000	\$25,000
Electrical		\$50,000
HVAC		\$100,000
Sprinkler System		\$23,375
Plumbing and Fixtures	\$30,000	\$30,000
Drywall / Lighting Suite C		\$15,000
General Construction for Lobby/Restrooms		\$50,000
Other	\$80,000	\$80,000
Paint / Finish	\$20,000	\$20,000
	Subtotal	\$488,375
Contingency		\$41,538
	Total	\$529,913



ADDRESS:  
18 N 13 1/2 ST





**Staff Report  
Renaissance Zone Application for  
30 University Drive North (261-F)  
701 Collective**

**Project Evaluation:**

The City of Fargo received a Renaissance Zone application from 701 Collective LLC to rehabilitate the existing structure at 30 University Drive North. Pursuant to the application, the intent of the project is to complete extensive exterior and interior renovations to a former towing company building facility. The building is 1 level and includes approximately 1,907 commercial square feet. The rehabilitation would renovate and update the building to provide commercial space for a restaurant. Overall, the building improvements would include significant capital costs relating to structural alterations, window and door replacement, and updating HVAC and plumbing.

The construction would begin in the spring or summer 2017 with the goal of completion in the summer 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 52 is identified as: *redevelopment and Infill; mixed-use or commercial*. As proposed, the project will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:

1. *Activity Generator [goal]:* Develop activity-generating enterprises near Renaissance Zone's major commercial corridors: University Avenue North and NP/1<sup>st</sup> Avenue.

**The project is located on 1<sup>st</sup> Avenue North and University Drive North along prominent entry points into downtown. Significant investment to the existing commercial space will increase the activity in this corridor.**

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 along the corridors. There are many new shops and dining opportunities near this subject location. Added improved commercial spaces will attract more businesses that may not be able to afford prime real estate along Broadway.**

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 project will include the renovation of the ground floor of the property into a restaurant use to encourage more street activity in the area.**

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

**The proposed project would act as a destination on the fringe of downtown to generate foot traffic and provide a link between the surrounding neighborhood and the downtown area.**

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

**The property is located near a transit stop and will provide ADA compliant structural improvements. The location and the ADA compliant infrastructure will allow the entire area to be more user-friendly and manage downtown transportation issues by promoting another mode choice as a transportation option.**

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 will be working and visiting this area resulting in a more lively and active street. The activity and enhanced aesthetics from the improvements to the property will provide more natural surveillance to increase the safety of the area.**

8. *High Quality Housing [goal]:* Continue to encourage the production of unique high quality housing that is developed in areas targeted for residential development or as a component of a mixed-use project.
9. *Infill [goal]:* Encourage and actively pursue projects that increase the productivity of underutilized property such as surface parking lots, vacant land and parcels with low building to land value ratios. Infill projects shall conform and be consistent with urban design principles as set forth in Goal 5, above..

**The project is an infill project in that it will repurpose an existing, underutilized building for more intense uses.**

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 University Drive North and 1<sup>st</sup> Avenue North. Both corridors are utilized by car, bike, and pedestrian transportation modes to enter into downtown Fargo.**

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

**The proposed project will provide a key downtown recreational destination. The project proposes repurposing an under-utilized building to provide restaurant services.**

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

**The proposed project will provide a social venue where connections between people can be established and contribute to a strong sense of community.**

(9 /10 points)

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

**Proposed improvements will include: structural alterations, window and door replacement, and updating HVAC and plumbing. 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 \$164,000. The applicant has proposed a total rehabilitation investment of \$171,050 which exceeds the required 50% investment guideline. These improvements will result in \$89 per SF (RZ minimum is \$25 per SF for residential and \$40 per SF for commercial) being invested into the existing space.**

(10 / 10 points)

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

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

**According to the application, the structure accommodates 1,907 square feet. The application estimates a total capital investment of \$171,050, which calculates to approximately \$89 per SF.**

(10 / 10 points)

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

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

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

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

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

***Primary Sector Business: N/A***

***Active Commercial, Specialty Retail or Destination Commercial:*** The project is located near both University Drive North and 1<sup>st</sup> Avenue North, both prominent entry points into downtown. Significant investment to the existing building to create commercial spaces with more intense uses will increase the activity in this corridor. Renovations will allow the building to acquire more employees and attract more visitors.

***Mixed Use Development: N/A***

(6 / 10 points)

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

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

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

(5/5 points)

- 2) Parcels specifically targeted for clearance:

**The RZ Plan designates Block 52 as being appropriate for redevelopment and infill; mixed-use or commercial. The proposed project meets these objectives by redeveloping an existing building for commercial uses.**

(5/5 points)

(10 / 10 points)

**Line 11:** The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation:

**This project will enhance and strengthen the University Drive North and 1<sup>st</sup> Avenue North corridors by renovating an existing structure into an updated commercial development. The renovation will improve the appearance of these gateways into the downtown core. The project will improve the overall appearance and contribute to the overall level of activity in the downtown fringe.**

(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 \$171,050.**

(10 / 10 points)

**Line 13:** Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community:

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

(10 / 10 points)

**Line 14:** Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?

**This property is located outside the boundary of the Downtown Historic District. The proposed rehabilitation project will contribute to enhancing the aesthetics of the area.**

(9 / 10 points)

**Summary:**

**This application received a score of 94 on a 100-point scale. The applicant met all required criteria and the use is consistent with the RZ Plan. In addition, the proposed rehabilitation project surpasses the local capital improvement requirement of \$40 per square foot capital improvement for commercial rehabilitation. New construction must meet \$100 per square foot capital investment threshold.**

**This project is consistent with the RZ Plan as activity generators and walkable districts are important initiatives highlighted in the plan. The proposal will increase activity and contribute to enhancing the aesthetic appearance along University Drive North and 1<sup>st</sup> Avenue North.**

The amount invested in the project exceeds state and local guidelines. The project does not involve the relocation of commercial businesses from another North Dakota city. The applicant is not seeking historic preservation tax credits. The applicant will pursue historic preservation grants 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 701 Collective and grant the property tax exemption and the State income tax exemptions as allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.



**Renaissance Zone Scorecard**  
**Minimum Criteria (Rehabilitation Project)**

		Possible Rating	Staff Rating
1	Use consistent with the plan (as per Vision and Goals)	10	9
2	Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building	10	10
3	Re-investment that totals no less than 50 percent of the current true and full valuation of the building	10	10
4	The investment totals at least \$40 in capital improvements per square foot for commercial properties or \$25 in capital improvements per square foot for residential properties (The authority may waive the square foot investment requirement for certain projects)	10	10
<b>Minimum Criteria (Proposals involving new construction or additions)</b>			
6	Use consistent with the plan (as per Vision and Goals)	N/A	NA
7	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	N/A	NA
8	Tenant must be leasing space in a building that has been approved as a Zone project	NA	NA
<b>Project Review Guidelines</b>			
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>	10	6
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>	10	10
11	The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation: <ul style="list-style-type: none"> <li>• Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration</li> <li>• Demonstrated commitment to strengthening pedestrian corridors and issues of "connection"</li> <li>• Attention to streetscape amenities</li> <li>• Contribution to street activity</li> </ul>	10	10
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	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	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	9
<b>Total Rating (100 possible points)</b>		<b>100</b>	<b>94</b>





## PLANNING AND DEVELOPMENT

200 Third Street North  
Fargo, North Dakota 58102

Phone: (701) 241-1474

Fax: (701) 241-1526

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

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

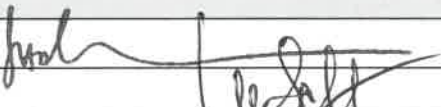
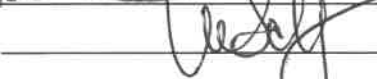
### APPLICATION FOR RENAISSANCE ZONE

Property owners, business owners, developers or investors interested in pursuing a Renaissance Zone project should review the 2015 RZ Plan. The RZ Plan outlines the current boundaries of the program (only certain blocks within the downtown core are included) and also provides additional detail on minimum investment requirements and applicable program goals and objectives that must be met.

Property Owner Information	Representation Information (if applicable)
Name (printed): <u>701 Collective</u>	Name (printed): <u>Lee Schwartz</u>
Address: <u>302 N University, Fargo</u>	Address: <u>302 N University, Fargo</u>
Primary Phone: <u>701 298 0071</u>	Primary Phone: <u>701 306 4497</u>
Alternative Phone: _____	Alternative Phone: _____
Fax: <u>877 280 8477</u>	Fax: <u>877 280 8477</u>
Email: <u>Jade@jadecompanies.com</u>	Email: <u>Lee@jadecompanies.com</u>

Location of property involved in the application decision
Address: <u>30 North University Drive, Fargo ND 58102</u>
Legal Description (attach separate sheet if more space is needed): _____
<u>Lot E 90 FT OF 1, 2 &amp; 3</u>
<u>Block 20 Reeves</u>

Project Description (new construction, rehabilitation or lease with brief project summary)
Rehabilitation of a building last used as a towing company. Owners will be completely renovating the interior and exterior of the property, with the intention of bringing a new, local family restaurant to that space. Timeline to open is late Summer, 2017.
_____
_____

Acknowledgement – We hereby acknowledge that we have familiarized ourselves with the rules and regulations to the preparation of this submittal and that the forgoing information is true and complete to the best of our knowledge.	
Owner (Signature): <u></u>	Date: <u>4/17/17</u>
Representative (Signature): <u></u>	Date: <u>4/17/17</u>

Office Use Only
Date Filed: _____ Planning Office Contact: _____

**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.**  
30 North University Drive  
Lot E 90 FT OF 1, 2 & 3  
Block 20 Reeves  
Renaissance Zone (Proposed) Block 52  
Parcel # **01-2340-03030-000**
2. **Current property owner(s).**  
701 Collective
3. **Name of applicant(s), mailing address, Federal ID number or SSAN, and type of entity (partnership, LLC, S-corporation, etc.).**  
701 Collective  
302 N University Drive  
Fargo, ND 58102  
FED ID #: XXXXXXXXXX  
Entity: LLC
4. **Current use of property**  
The building was being used as a towing company and garage.
5. **Square footage of the lot and of the building (list each floor separately)**  
Lot: 6831 square feet  
Building: 1907 square feet (only one level)
6. **Describe the impact this project has on any historical properties**  
Built in 1948, the building was originally a Conoco Gas Station.





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

Historic Preservation & Renovation

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.**

**Please provide a break out of "capital improvements", as defined in Attachment B, and justification that the project will meet the City's investment guidelines.**

30 University will need extensive interior remodeling to remove the vehicle lifts, to modify existing walls to create a restaurant layout, to install kitchen equipment and a hood system in areas that were not created for that use. Additionally, a second fire exit and ADA-compliant doors and restrooms will need to be created. On the exterior, overhead doors will be eliminated or replaced. Windows will be added to the curved corner of the building to restore to it's 1950's look.

The property is currently assessed at \$33,000 for the land and \$133,000 for the improvements.

Renovations to the building are estimated at \$171,050, which is \$89 SF (RZ minimum is \$25 SF).

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

701 Collective is remodeling the interior and exterior of the building to bring a new, local family restaurant to that corner, including the installation of an entire kitchen, seating, bathrooms, and supporting rooms. The expected capacity will be roughly 50 people. The expected tenant is Daran's Southern Soul Food, who currently operates (catering only) from Square One. This will be their first full-service restaurant. They are expecting to be open 7 days/week, offering cafeteria-like service with a diverse menu that will be completely unique within the Fargo-Moorhead community. The expected date of occupancy is July 15. The expected opening date is August 1.

**If this is a residential purchase project, will this be your primary residence?**

No

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

**Vision:**

This project will be the gateway to what we hope (and have major investments toward) an art-centric neighborhood which will host a theater, unique retail, and a new brewery/brewpub. 30 University also lies on the First Avenue North Corridor, which the City of Fargo has defined as a priority. The restaurant will be open for breakfast, lunch, dinner and late-night, and will have seating for approximately 50 people and easy to-go meals. It is expected to be busy around lunchtime and for the Sunday lunch crowd, as well as evenings. The building's new outside look will make this welcoming property a cornerstone of this new community.

**Economic Vitality:**

The upgrade (both in terms of appearance and restaurant traffic) will be a definite upgrade to the impact by the former towing company. The same great impression that people now have of the core of downtown Fargo will start becoming a reality on the perimeter of downtown—including this property and this neighborhood. This will attract new business and raise property values.

Improvements made to the “edges” of downtown help strengthen the heart of downtown, and make it more-connected with the residential communities nearby.

**Housing Diversity:**

While this property will not impact residential availability, the overall investment into that neighborhood is expected to raise residential property values over time.

**Vibrant City Center:**

Walkscore.com rates (based on their criteria) this property as:

- 85: “Very Walkable”
- 74: “Very Bikeable”

The restaurant is also located across the street from the new grocery co-op, and on the edge of a residential area in need of a restaurant. The building is also on the bus route.

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

The parking lot will be reconfigured and re-striped. A new sign will be implemented. New windows and doors (and some new walls to replace current overhead doors that cannot be used in a restaurant setting) will be in place. We are expecting to restore the exterior to something similar to it's 1950's look.

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

**High Priority Land Use**

Daran's Southern Soul Food will be an active corner with exponentially higher foot traffic and visibility than the previous business use for this property. Additionally, the

business will both support the current downtown workforce and be a destination restaurant for those with no natural connection to downtown.

#### **Targeted Areas**

The 1<sup>st</sup> Avenue Corridor has been designated a priority by the City of Fargo

#### **Public Space**

The restaurant (as previously mentioned) has a high walking and biking score, and will be a convenient stop along what could be a longer route. The building's façade and lighting will be welcome to those passing by.

#### **Investment**

The capital investment to transform this property is more than double the value of the property.

#### **Relocation**

Daran's Southern Soul Food had been operating as a catering-only business until now. They will be a welcome addition to the already-eclectic restaurant community.

**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 be sought for this project to support the upgrades to the exterior of the building. The remainder of the project 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.**

701 Collective will utilize a triple-net lease agreement for tenant for this property. Under this agreement, the tenant is responsible for all real estate taxes. As such, the tenant will be benefactor of the five-year Renaissance Zone property tax abatement.

Current and True Value of Building: \$133,000

Current Annual Property Tax on Building: \$2,544. 97

Estimate Value of Building After Improvements: \$425,000

Estimated Five-Year Impact: \$40,488 (297.51 Mill Levy)

Potential Annual Income Tax Savings: \$1,000

**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.**

This application has been completed and will be submitted after the transfer of ownership, along with proof of local taxes being paid.

**Attachments:**

Blueprint

RZ Certificate of Good Standing Application

Renovation Estimates

**Submit Project Proposals to:**

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





**BUDGET FOR RENOVATIONS**  
**30 University Drive North**

Architecture/Engineering	\$7,500	
Demo	\$5,000	
Exterior Finish	\$5,000	
Doors / Windows / Garage Doors	\$15,000	
Electrical	\$15,000	
HVAC	\$7,500	
Sprinkler System	\$5,500	
Kitchen	\$75,000	
Plumbing and Fixtures	\$10,000	
General Construction	\$10,000	
	Subtotal	\$155,500
Contingency		\$15,550
	Total	\$171,050

