

EDIC MEETING
Tuesday, August 26, 2025 – 1:00 p.m.
City Commission Chambers, Fargo City Hall

AGENDA

- 1. Approve EDIC Meeting Minutes of 7/22/2025**
 - a. July 22, 2025 [Page 1-3]
- 2. Bison Lodge PILOT Request [Page 4-29]**
- 3. Commercial Redevelopment PILOT Request [Page 30-41]**

ECONOMIC AND DEVELOPMENT INCENTIVE COMMITTEE
Fargo, North Dakota

Regular Meeting

Tuesday, July 22, 2025

The February meeting of the Economic and Development Incentive Committee of the City of Fargo, North Dakota was held in the City Commission Room at City Hall at 1:00 p.m., Tuesday, July 22, 2025.

The committee members present or absent are:

Members Present: Dave Piepkorn, Mayor Mahoney, Lucas Paper, Matt Schlenvogt, John Cosgriff

Others Present: Jim Gilmour, Jackie Gapp

Others Absent: Levi Bachmeier, Erik Barner, Robert Wilson, Michael Splonskowski

Commissioner Piepkorn called the meeting to order at 1:00 p.m.

Minutes Approved

A motion was made by John Cosgriff to approve the minutes from May 27, 2025. Matt Schlenvogt seconded. Motion carries.

Business Incentive Tracking – Report

- Ryan Aasheim
- 23 Pilot recipients with 18 companies receiving it
- Two major components:
 - Number of jobs created/retained
 - Wages
- How it works:
 - Annual Incentive Tracking Survey sent
 - Company completes survey
 - Survey results are tracked in EDC CRM system
 - Survey results are evaluated against commitments
 - City staff follows up with company if needed

A motion was made by Mayor Mahoney to approve an additional 5-year Property Tax Exemption. Matt Schlenvogt seconded. Motion carries.

Deadline to Start Projects – Recommendation

- City of Fargo does not have a deadline for businesses or developers to commence projects
- Recommending that a PILOT project must start construction or begin operation within three of approval by the City Commission.

A motion was made by Lucas Paper to approve the deadline to start projects. John Cosgriff seconded. Motion carries.

Core Neighborhood Housing Incentives – Amendment

- Policy includes documenting extraordinary costs, a “but for” test, providing a 100% property for 5 years and a 50% property tax exemption in years 6-10.
- A 100% exemption for 7 years was proposed due to administration issues. This exemption would provide the same present value to the developer and reduce administration work of the Assessors Office.
- A recommendation was also proposed that the “but for” evaluation remain, but that agreements no long require documentation of costs.

A motion was made by Lucas Paper to approve the deadline to start projects. John Cosgriff seconded. Motion carries.

PILOT Applications for Affordable Housing – Information only

- Three applications are expected for property tax for affordable housing projects. The application for 17-year property tax exemption.
- The Fargo Housing Authority is planning two projects:
 - Existing building at 4th Street North. It would be renovated into 22 housing units.
 - Replacement of duplexes with a new building located at 18th Street South and 25th Avenue South. 60 housing units.
- The Annex Group is planning to apply for a property tax incentive at 11 12 Street North. This would be a building of about 260 housing units with ground-level parking.

Grove Enclave (Kmart site) Time Extension Request

- Enclave is requesting an amendment to the Developer Agreement, Section 4.1 that requires a minimum of 20,000 square feet of commercial construction and the development of two (2) standalone commercial buildings.


- Enclave would like the requirement be reduced to one (1) standalone commercial building as they currently have a standalone Starbucks.
- The TIF could start sooner as they would be complete if the agreement states they only need one (1) standalone commercial building.

A motion was made by Lucas Paper to approve the deadline to start projects. Matt Schlenvogt seconded. Motion carries.

The meeting was adjourned at 1:45 pm.

MEMORANDUM

TO: Economic Development Incentive Committee

FROM: Jim Gilmour, Director of Strategic Planning and Research 

DATE: August 19, 2025

SUBJECT: Bison Lodge Request

The City received a request for a property tax exemption for the redevelopment of a site on the northwest corner of 11th Avenue North and 17th Street North. There are two lots at this location, one that is vacant and another with a house in very poor condition.

The new development will be a 6-unit row house apartment building. The development cost is estimated at \$1.8 million.

The developer is requesting a property tax exemption with the Payment in Lieu of Taxes (PILOT) program. New City policy will provide up to a 100% exemption for up to 7 years. The value of the property tax exemption is estimated at \$22,265 annually.

The application and the financial review are attached. The request has been reviewed by one of the City's Financial Advisors, PFM, who concludes that project would not be feasible without public assistance.

Recommended Motion

Recommend approval of the request for PILOT assistance to the Fargo City Commission.

PILOT Application – Bison Lodge

Applicant & Project Information

Project Name: Bison Lodge

Project Address: 1102 & 1110 17th St N, Fargo, ND 58102

Ownership Entity: Bison Run Rentals LLC (Nicholas & Betsy Yanez-Rich)

Mailing Address: 209 28th Ave N, Fargo, ND 58102

Contact: Nick – (701) 212-0571 | Betsy – (612) 718-0662

Email: nick@bisonrunrentals.com | betsy@bisonrunrentals.com

Type of Ownership: Limited Liability Company

Project Description

Bison Lodge is a new construction 6-unit multi-family townhome development. Each unit is approximately 1,700 sq ft with 3 bedrooms and 3 bathrooms. The homes will feature slab-on-grade wood-frame construction, modern finishes, energy-efficient windows and HVAC systems, and durable exterior siding. The project is targeted toward NDSU students and local families. It will revitalize a blighted area with high-quality, code-compliant rental housing.

Construction Timeline & Project Cost

Estimated Total Project Cost: \$1,800,000

Construction Start: March 1, 2026

Construction Completion: August 1, 2027

5-Year Financial Projection

Year	Gross Revenue	Total Expenses (incl. vacancy)	Net Income (Before Tax)
Year 1	\$201,600	\$188,968	\$12,632
Year 2	\$207,648	\$192,787	\$14,861

Year 3	\$213,877	\$196,725	\$17,152
Year 4	\$220,293	\$200,822	\$19,471
Year 5	\$226,902	\$205,090	\$21,812

PILOT Request

Requested Incentive: Property Tax Exemption (PILOT)

Term: 10 years (2026–2036)

Structure:

- Years 1–5: 100% exemption on building improvements (land-only taxes paid)
- Years 6–10: 50% exemption on building improvements

Employment Projections

Before Project: 0 employees

Year 1–5 Projections:

- Full-Time Employees: 1 (Property Manager) – starting at \$50,000/year, 3% annual increase
- Part-Time Employees: 1 (Assistant/Maintenance) – starting at \$15,000/year, 3% annual increase

Wage Bands (Initial Year):

- 1 employee at \$13.01–\$15.00/hour (part-time)
- 1 employee at \$20.01–\$28.00/hour (full-time)

Certifications and Legal Statements

Previous Business Activity:

- Project operator has conducted rental operations in Fargo, ND but has not received any prior tax incentives.
- Not succeeding another operator.

Business Competition:

- Yes, similar student and family rental housing is offered by Skyline, U32, RoCo, etc.
- 100% of revenue will be earned in a competitive local market.

Property Tax Disclosure:

- No delinquent property taxes owned by project operator or affiliated entities.

Ownership: Bison Run Rentals LLC

I, Nicholas Yanez-Rich, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief.

Signature: ___Nicholas Yanez-Rich___ Title: Co-Owner Date: ___6/30/2025___

Bison Lodge – PILOT Application Project Information

Project Name: Bison Lodge

Project Address: 1102 & 1110 17th St N, Fargo, ND 58102

Ownership Entity: Nicholas and Betsy Yanez-Rich

Mailing Address: 209 28th Ave N, Fargo, ND 58102

Contact: Nick – (701) 212-0571 | Betsy – (612) 718-0662

Emails: nick@bisonrunrentals.com, betsy@bisonrunrentals.com

Project Description:

Type: New construction of a 6-unit multi-family townhome development

Unit Size: Approximately 1,645 sq ft per unit

Bedrooms/Bathrooms: 3 bedrooms and 3 bathrooms per unit with a Den/Study on main floor.

Target Tenants: Inclusive housing for both college students and families

Project Cost: Estimated at \$1.8 million

Construction Timeline:

Start Date: September or October 1st, 2025

Completion Date: June 1st - August 1, 2026

Rental Information:

Monthly Rent per Unit: \$2,800

Utilities: Tenants responsible for their electric/gas bill (separately metered)

We will include Internet, Water, Sewer, Garbage for each unit first year and see how this will go following years after initial start.

PILOT Request:

Duration: 10-year PILOT

Structure:

Years 1–5: 100% exemption on improvements

Years 6–10: 50% exemption on improvements

Justification: Enables financial feasibility, supports affordability, repays private/life insurance funding.

Community Impact:

Revitalizes underutilized land and removes blight.

Adds code-compliant, energy-efficient housing near NDSU.

Aligns with Fargo's smart growth and urban infill goals.

Sustainability Features:

Energy-efficient HVAC and windows.

2" frost wall and 2" thermal break foundation.

Individually metered units to encourage conservation.

Bison Lodge – PILOT Program Summary

Project Operator: Bison Run Rentals LLC (Nicholas & Betsy Yanez-Rich)

Project Address: 1102 & 1110 17th St N, Fargo, ND 58102

Contact: Nick – 701-212-0571 | Betsy – 612-718-0662

Email: nick@bisonrunrentals.com | betsy@bisonrunrentals.com

Project Overview:

Bison Lodge is a 6-unit, new-construction townhome development offering high-quality housing near NDSU. Each unit features 3 bedrooms, 3 bathrooms, and approximately 1,700 sq ft. The project will revitalize underutilized land, replacing a deteriorating home and vacant lot with modern, energy-efficient rental housing for students and families.

Timeline & Costs:

Total Development Cost: \$1.8 million

Construction Start: September or October 1st, 2025 | Completion: August 1, 2026

Land purchased in cash using life insurance proceeds

Financing & PILOT Request:

Construction is funded with a bank loan and \$250,000 private loan from a private investor.

PILOT relief is necessary to ensure feasibility during early lease-up.

Request: 5 years land-only taxes, followed by 5 years at 50% building exemption .

Sustainability & Community Impact:

Units will be individually metered with energy-efficient windows, furnaces, and A/C. A 2" frost wall and thermal break to improve efficiency. The development brings safety, value, and modern design to the neighborhood.

***Application For Property Tax Incentives For
New or Expanding Businesses***

N.D.C.C. Chapter 40-57.1

Project Operator's Application To _____
City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1. Name of project operator of new or expanding business: Bison Run Rentals
2. Address of project: 1102 & 1110 17th St N. (Parcels will be combined) _____ City: Fargo_(58102)_ County: Cass _____
3. Mailing address of project operator: 209 28th Ave N. City: Fargo _____ State: ND _____
Zip: 58102 _____
4. Type of ownership of project: Limited liability company

7. If a corporation, specify the state and date of incorporation _____ 5/3/2021 _____

8. Name and title of individual to contact: Nicholas & Betsy Yanez-Rich _____ Mailing address _____ 209 28th Ave. N. _____ City: Fargo State: ND Zip: _____ 58102 Phone No. _____ 701-212-0571 or 612-718-0662 _____

Project Operator's Application For Tax Incentives

9. Indicate the tax incentives applied for and terms. Be specific.

Property Tax Exemption Payments In Lieu of Taxes Number of years 10 Beginning year 2026 Ending year 2036 Percent of exemption: **Years 1–5 (2026–2030):** 100% exemption on building improvements (land-only taxes paid)

Years 6–10 (2031–2036): 50% exemption on building improvements.

N/A Amount of annual payments (attach schedule if payments will vary)

10. Which of the following would better describe the project for which this application is being made: New business project & Expansion of an existing business.

(Rev. 2/14)

- 1 -

24734

Description of Project Property

11. Legal description of project real property :

(1102 17th St N. Fargo, ND 58102) Lot: 10 Block: 3 BEARDSLEYS ALL EXC' W 60' OF LOTS 10 & 11 BLK 3

(1110 17th St N. Fargo, ND 58102) Lot: 9 Block: 3 BEARDSLEYS LOT 9 BLK 3

12. Will the project property be owned or leased by the project operator? Owned

If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator?

N/A

If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits.

N/A

13. Will the project be located in a new structure or an existing facility? New construction

If an existing facility, when was it constructed? _____ N/A _____

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application 9/1/2025 or

10/1/2025 _____

b. Description of project to be constructed including size, type and quality of construction.

The Bison Lodge project consists of the new construction of six (6) townhome-style multi-family residential units on a 15,000 sq ft lot in North Fargo. Each townhome will be approximately 1,700 square feet across two stories, with 3 bedrooms and 3 bathrooms per unit. The buildings will be slab-on-grade construction with wood framing, high-efficiency windows, and durable exterior finishes such as steel siding and architectural asphalt shingles.

The project will include individual private entries, patios, and shared off-street parking in accordance with UMU zoning requirements. Interiors will feature modern, durable finishes including quartz countertops, LVP flooring, stainless steel appliances, and in-unit laundry. Each unit will be separately metered for utilities and constructed to meet or exceed current energy efficiency standards, including a 2" frost wall foundation and 2" thermal break insulation.

Overall, Bison Lodge will provide high-quality, energy-efficient housing designed for both students and families, revitalizing a blighted site with long-term value and livability in mind.

c. Projected number of construction employees during the project construction: 12-18 workers.

14. Approximate date of commencement of this project's operations: September or October 1st of 2026.

16. Estimate taxable valuation of the property eligible: \$76,250

15. Estimated market value of the property used for this project:

a. Land \$275,000

b. Existing buildings and structures for which an exemption is claimed..... \$ 0 _____

c. Newly constructed buildings and structures when completed **\$1,525,000** (total \$1.8M project cost minus land)

d. Total \$1,800,000

e. Machinery and equipment \$ 0 (Residential housing has minimal qualifying M & E)

for exemption by multiplying the market values by 5 percent:

- a. Land (not eligible): \$275,000.
- b. Eligible existing buildings and structures: \$0
- c. Newly constructed buildings and structures when completed\$76,250 (5% × \$1,525,000)
- d. Total taxable valuation of property eligible for exemption (Add lines b and c)\$76,250
- e. Enter the consolidated mill rate for the appropriate taxing district292 or 0.292 (City of Fargo, 2024 estimate)
- f. Annual amount of the tax exemption (Line d multiplied by line e)
\$22,265 (0.292 × \$76,250) **Tax Mill Rate is .29818.**
22,265 X .29818 = \$22,736 per Assessor

Description of Project Business

Note: “project” means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.

17. Type of business to be engaged in: Services

18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary):

The project operator, Bison Run Rentals LLC, will operate and manage a 6-unit residential rental housing development known as Bison Lodge. The project will provide high-quality, energy-efficient townhome-style housing near NDSU, serving both college students and small families. The operator will be responsible for leasing, property management, maintenance, and tenant relations. No manufacturing, retailing, or warehousing activities will occur at the property.

19. Indicate the type of machinery and equipment that will be installed: Standard residential equipment including HVAC systems, water heaters, energy-efficient appliances (refrigerator, oven/range, dishwasher, washer, dryer), and mechanical ventilation systems. No industrial machinery will be installed.

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new

business or the expansion itself for each year of the requested exemption.

New/Expansion New/Expansion New/Expansion New/Expansion New/Expansion
Project only Project only Project only Project only Project only

Year (12 mo. periods) Year 1 Year 2 Year 3 Year 4 Year 5

Annual revenue: \$201,600, \$207,648, \$213,877, \$220,293, \$226,902 .

Annual expense:\$188,986, \$192,787, \$196,725, \$200,822, \$205,090.

Net income: \$12,632, \$14,861, \$17,152, \$19,471, \$21,812.

21. Projected number and salary of persons to be employed by the project for the first five years: Current positions & positions added the initial year of project

# Current Positions		New Positions Under \$13.00	New Positions \$13.01-\$15.00	New Positions \$15.01-\$20.00	New Positions \$20.01-\$28.00	New Positions \$28.01-\$35.00	New Positions Over \$35.00
0			1		1		

Year (Before project) Year 1 Year 2 Year 3 Year 4 Year 5 No. of Employees ⁽¹⁾ 1 1 1 1 1

1 ⁽²⁾ 1 1 1 1 1

Estimated payroll ⁽¹⁾ \$0 \$50,000 \$51,500 \$53,045 \$54,636 \$56,275

⁽²⁾ \$0 \$15,000 \$15,450 \$15,914 \$16,391 \$16,883

(1) - full time
(2) - part time

-3-

Previous Business Activity

22. Is the project operator succeeding someone else in this or a similar business? No

Bison Lodge 10-Year Net Income (Before Tax)

Year	Gross Revenue	Total Expenses	Net Income (Before Tax)
Year 1	\$201,600	\$188,968	\$12,632
Year 2	\$207,648	\$192,787	\$14,861
Year 3	\$213,877	\$196,725	\$17,152
Year 4	\$220,293	\$200,822	\$19,471
Year 5	\$226,902	\$205,090	\$21,812
Year 6	\$233,709	\$214,781	\$18,928
Year 7	\$240,720	\$221,420	\$19,300
Year 8	\$247,942	\$234,930	\$13,012
Year 9	\$255,381	\$242,252	\$13,129
Year 10	\$263,042	\$249,842	\$13,200

BISON RUN FLATS

FARGO ND



DRAWING INDEX

ARCHITECTURE
A000 COVER SHEET
A001 SITE PLAN
A001 FLOOR PLAN
A001 ELEVATION
A410 FINISH SCHEDULE, ROOM FINISHES, DOOR TYPES
A501 BUILDING SECTION
A501 WALL SECTION
A701 LIFT PLAN

ARCHITECT
RHET ARCHITECTURE
ATTN: RHET FISHER, AIA
ADDRESS: 27110 ST. N
FARGO, ND 58102
PHONE: (701) 715-8232
EMAIL: rh@rhet-arch.com
WEB: WWW.RHET-ARCH.COM

CIVIL ENGINEER
LOWRY
ATTN: ANDREW THILL
ADDRESS: 4326 51ST AVE S SUITE A
FARGO, ND 58104
PHONE: (701) 235-0198
EMAIL: atwill@lowryeng.com
WEB: www.lowryeng.com

STRUCTURAL ENGINEER
NEVER ENGINEERING
ATTN: JOHN M. VANZ, PE
ADDRESS: 4130 24TH AVE S
FARGO, ND 58104
PHONE: (701) 480-0809
EMAIL: jmv@never-eng.com
WEB: https://www.neverengineering.com/

RHET
ARCHITECTURE

RHET ARCHITECTURE
27110 ST. N FARGO, ND 58102
701.715.8232
WWW.RHET-ARCH.COM

NOT FOR
CONSTRUCTION
10/20/24 2:45 PM

PROJECT NAME
BISON RUN FLATS

1102 & 1110 17th STR. N
FARGO, ND 58102

OWNER
BISON RUN FLATS

ATTN: NICK YANEZ-RICH

PHONE: (701) 212-0571
EMAIL: nick@bisonrunflats.com

NO.	DESCRIPTION	DATE
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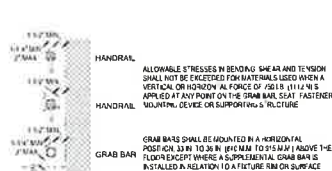
REVISION SCHEDULE

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PROJECT NO. 25-113201
DRAWN BY: DN
CHECKED BY: RT
DRAWING TITLE
COVER SHEET

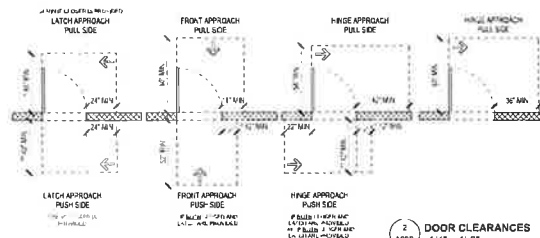
A000

BUILDING CODE DATA: PROJECT

BUILDING CODE: IRC 2021	RECD./ALLOWED	PROVIDED
CH1.3 R101.2 SCOPE & ADMINISTRATION SCOPE	NA: 6' TYPICAL WALLS = 3 STORIES	= 3 STORIES
CH1.3 R302.1(1) BUILDING PLANNING FIRE RESISTANCE CONSTRUCTION PARTY WALL SEPARATE SEWER & WATER LINES FOR EVERY DWELLING UNIT	2 HR	(2) 1 HR WALLS
ENERGY CODE: IECC 2021 PRESCRIPTIVE METHOD - R-VALUE / U-FACTOR	RECD./ALLOWED	PROVIDED
CH1.3 R301.1 SECTION ITEM CLIMATE ZONES	6A	6A
CH1.4 TB1.1402.2 SECTION ITEM U-FACTOR ALTERNATIVE FENESTRATION R-VALUE ALTERNATIVE SLAB & DEPTH WALL CEILING	30 MPH U-FACTOR 14 CI 4" T R-11 R-40	R-16 1 WALL ASSEMBLY R-45 ROOF
CH1.5 S602.2(1) SECTION ITEM BUILDING ENVELOPE REQUIREMENTS		



1 HANDRAIL/GRAB BAR
1" = 1'-0"



RHET ARCHITECTURE
27 11th ST. N FARGO, ND 58102
701.715.8232
WWW.RHET-ARCH.COM

NOT FOR
CONSTRUCTION
H&M 10-1-2000

PROJECT NAME
BISON RUN FLATS

1102 & 1110 17th STR. N.
FARGO, ND 58102

OWNER
BISON RUN FLATS
ATTN: NICK YANEZ-RICH

PHONE (701) 212-0571
EMAIL nick@bisonuniversity.com

<input type="checkbox"/> CONSTRUCTION DOCUMENTS	DATE
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See end of chapter for more details.

PROJECT NO	25-113201
DRAWN BY:	DN

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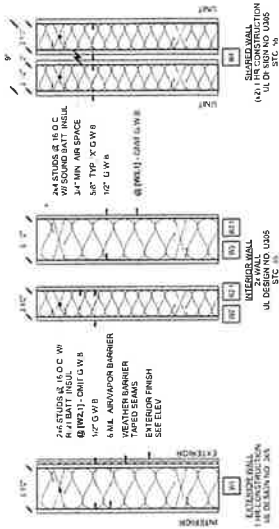
A001

PROPERTY INFORMATION

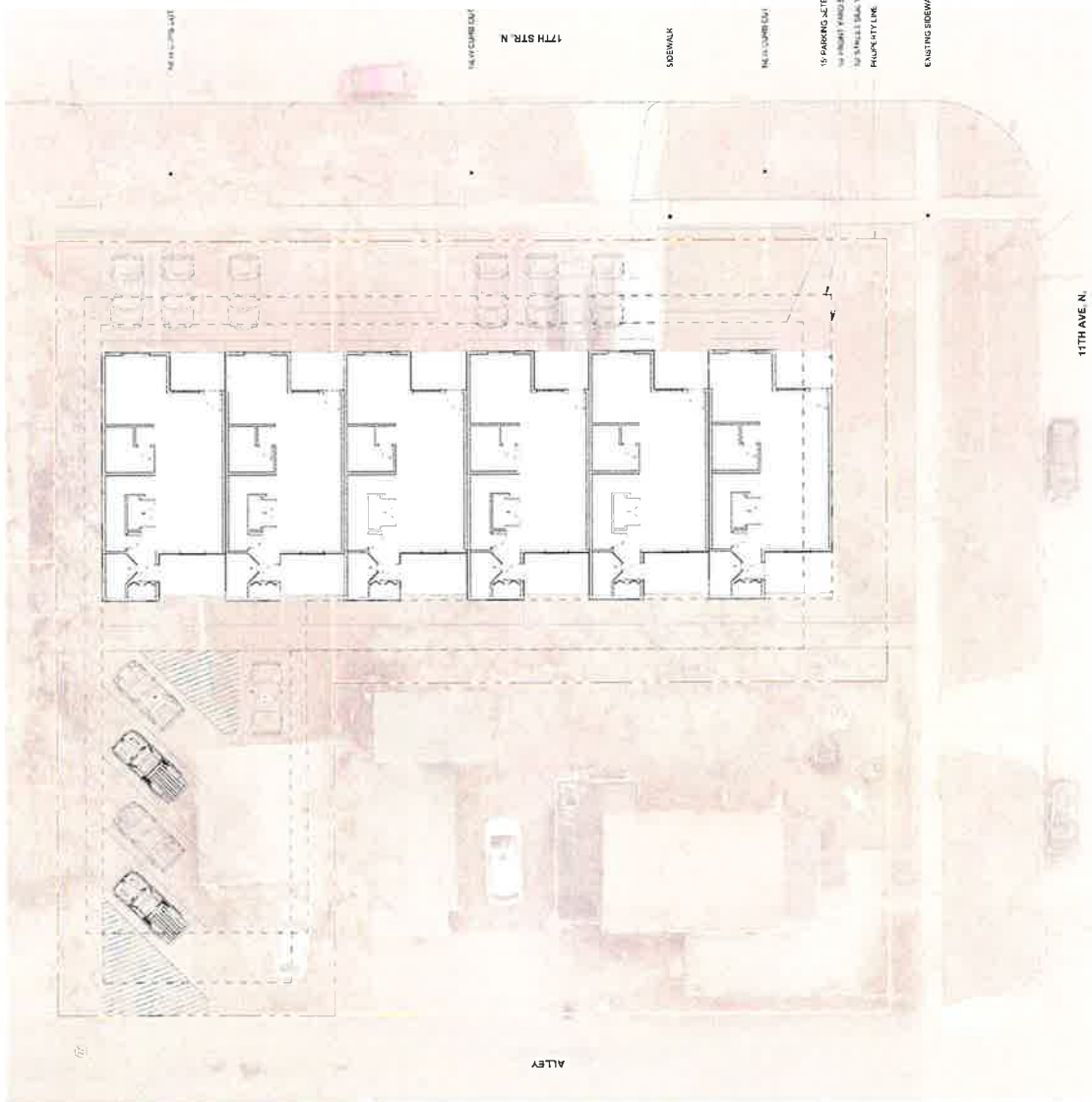
ZONING	RECD UNJ	PROVIDED UNJ
LOT AREA	15,000 SF	0.334 ACRS
DENS = 16 UNITS/ACRE MIN	6 UNITS	0 UNITS
MAX BUILDING COVERAGE	11,250 SF (MAX)	3,100 SF
1.25 PARKING SPACES/UNIT	75 (MIN)	18 SPACES
MAX HEIGHT	6'0" (MAX)	*20'
TRANSPARENCY AT 1ST FLR	45%	0 SF / UNIT
MIN. OPEN SPACE	0%	1 B.D.

SETBACKS

BUILDING SETBACKS		PAVING SETBACKS	
10' FRONT YARD	15' STREET SIDE (EAST)		
5' SIDE YARD	8' INTERIOR SIDE (NORTH)		
10' SIDE STREET	10' STREET SIDE (SOUTH)		
15' REAR YARD	15' REAR YARD (WEST)		



2 TYPES - WALL TYPES



SITE PLAN

RHET
ARCHITECTURE

1000 1ST AVENUE
20115 ST. N. FARGO, ND 58102
701.715.5332
WWW.RHET-ARCH.COM

NOT FOR CONSTRUCTION

PROJECT NAME
BISON RUN FLATS
1102 & 1110 17th STR. N.
FARGO, ND 58102

OWNER
BISON RUN FLATS
ATTN: NICK YANEZ-RICH
PHONE: (701) 210-0571
EMAIL: nkr@bisonrunflats.com

DATE: 07/23/2022	2:00 PM
DATE: 07/23/2022	2:00 PM
DATE: 07/23/2022	2:00 PM

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PROJECT NO.	25-11320
DATE:	07/23/2022
DESIGNED BY:	ON
DRAWN BY:	ON
CHECKED BY:	ON
DATE:	07/23/2022

FLOOR PLAN

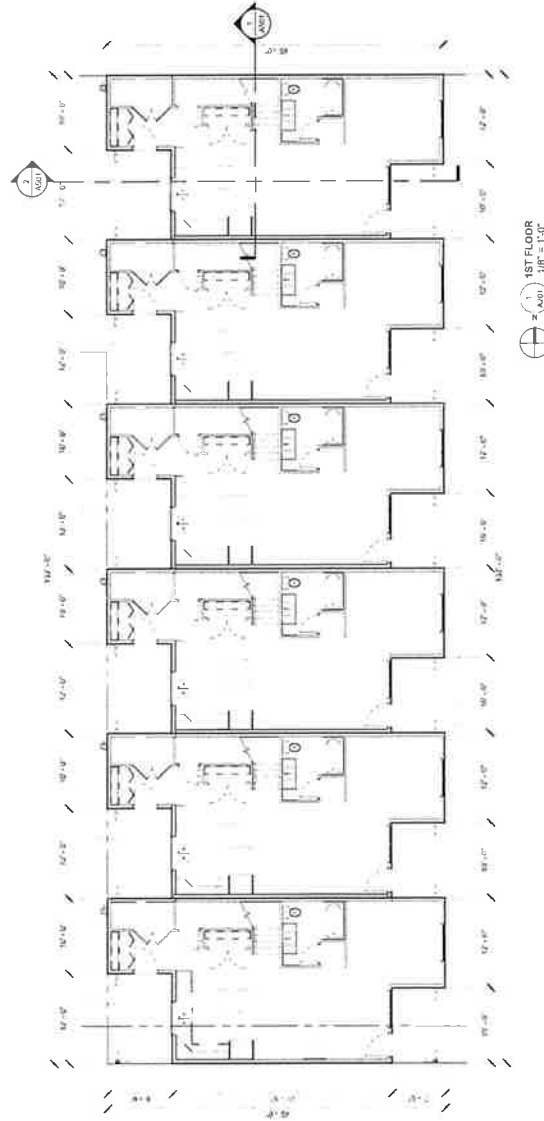
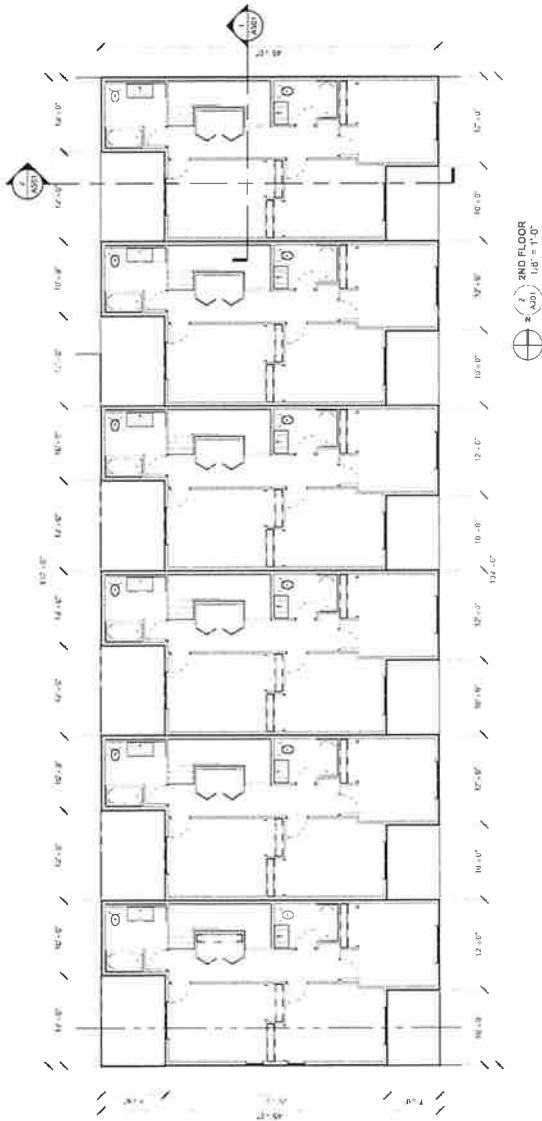
A201

GENERAL PLAN NOTES:

1. EXTERIOR FINISHES ARE INDICATED BY LINE OF EXTERIOR FINISHES.
2. EXTERIOR FINISHES FOR ALL PORCHES NOT DIMENSIONED IN THIS PLAN.
3. EDGE OF FOUNDATION TO ALIGN WITH EDGE OF EXTERIOR FINISHES.
4. AS SHOWN ON EXTERIOR WALL. PROVIDE AS 1/4" RADIUS WALL.
5. ALL EXTERIOR WALLS TO BE JAVISON.
6. ALL EXTERIOR WALLS TO BE JAVISON.
7. PRIVATE WATER SUPPLY.
8. PRIVATE SEWER.
9. PRIVATE GAS.
10. PRIVATE ELECTRICITY.

GENERAL FINISH NOTES:

1. MECHANICAL ROOM TO BE FINISHED WITH EXTERIOR FINISHES.
2. CONDENSING UNIT.
3. GAS WATER HEATER.
4. ELECTRICAL UNIT TO FEATURE 200 AMP PANEL LOCATED IN MECHANICAL ROOM.



NOT FOR
CONSTRUCTION
NOTICE

PROJECT NAME
BISON RUN FLATS
1102 & 1110 17th STR. N.
FARGO, ND 58102

BISON RUN FLATS
ATTN: NICK YANEZ-RICH
PHONE (701) 212-0571
EMAIL nick@bisonrunflats.com

DATE	MARK DESCRIPTION
11/1/2000	CE - CONSTRUCTION DOCUMENTS

REVISION SCHEDULE

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PROJECT NO.	25-113201
DRAWN BY:	CH
CHECKED BY:	RF
DRAWING TITLE	
ELEVATION	

A401

GENERAL ELEVATION NOTES:

- MECHANICAL LOUVERS AND EXHAUST VENTS PAINT TO MATCH
COLOR OF ADJACENT SIDING
SEE CML FOR GRADING
SPF STRUCTURAL FOR FOOTING DEPTH, SIZE & LOCATION
SEE FLOOR PLANS FOR WINDOW TAIL
VITAC VENTS TO MATCH COLOR OF EXTERIOR WALL
ARCHITECT TO APPROVE
ALL SOFFITS TO BE PNE-FIN. MTL VENTED
ALL WINDOWS HEADS TO BE AT 7'-1" O.D.N.

TYPICAL MATERIALS

- | | |
|---|--|
|  | UNUSUAL
BASED ON DESIGN OF DIAMOND SIDE LAP
CUTTING TECHNIQUE
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PROJECT NAME
BISON RUN FLATS
1102 & 1110 17th STR. N.
FARGO, ND 58102

OWNER
BISON RUN FLATS
ATTN: NICK YANEZ-RICH
PHONE (703) 212-0571
EMAIL: nick@bisonrunflats.com

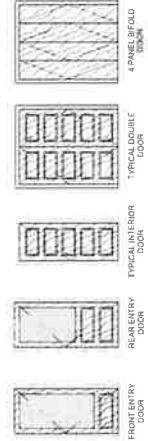
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FINISH SELECTION
SCHEDULE, ROOM
FINISHES, DOOR TYPES

A410

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COMMENTS

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(1)
M10

RHET ARCHITECTURE
27 11th ST. N. FARGO, ND 58102
701.715.8232
WWW.RHET-ARCH.COM

NOT FOR CONSTRUCTION

BISON RUN FLATS
1102 & 1110 17th STR. N.
FARGO, ND 58102

OWNER
BISON RUN FLATS
ATTN: NICK YANEZ-RICH

PHONE (701) 212-0571
EMAIL nick@bisonrunmaterials.com

Director	MANWOOD WILLIAMS, JR., C.A.

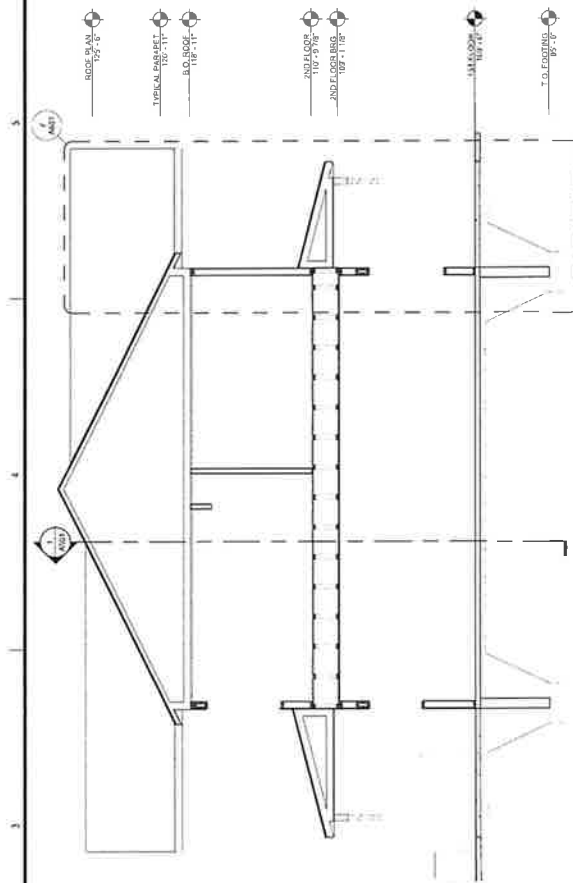
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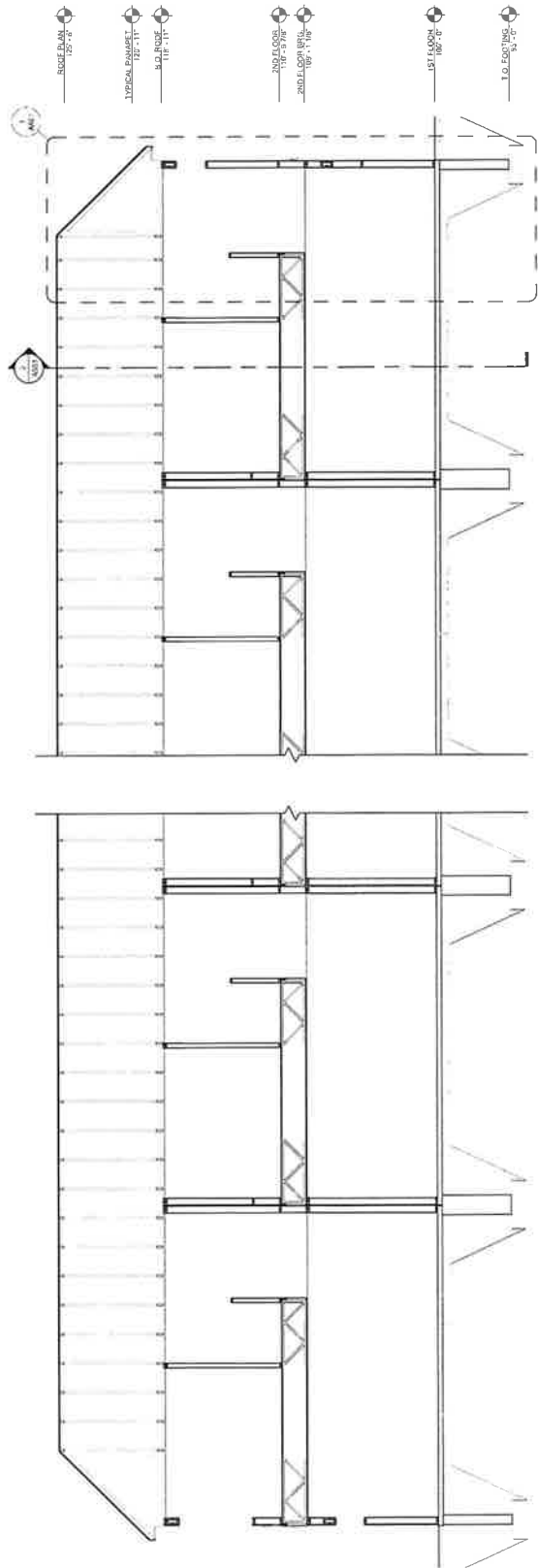
PROJECT NO.	25-113201
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BUILDING SECTION

A501



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A-301



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501

NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT	08/11/2025
2	ISSUED FOR CONSTRUCTION	08/11/2025

REVISIONS

CONTRACT

PROJECT NO. 25-11302

OWNER BISON RUN FLATS

DESIGNED BY RHET ARCHITECTURE

UNIT PLAN

GENERAL UNIT PLAN NOTES

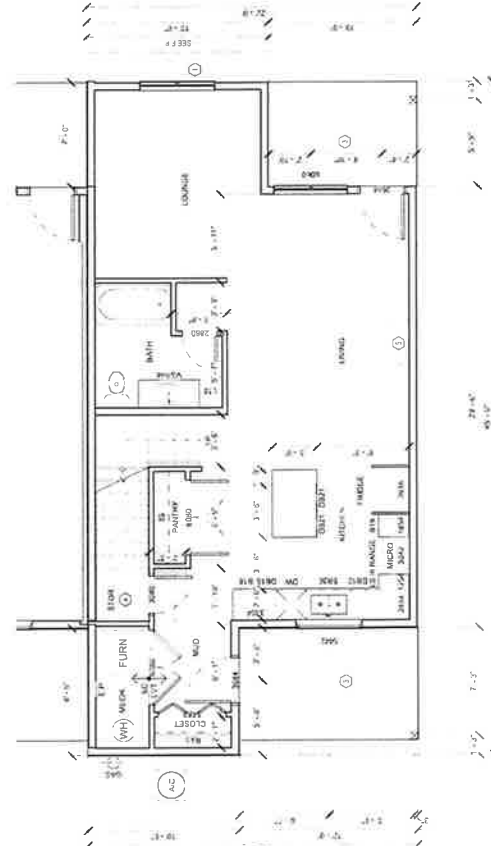
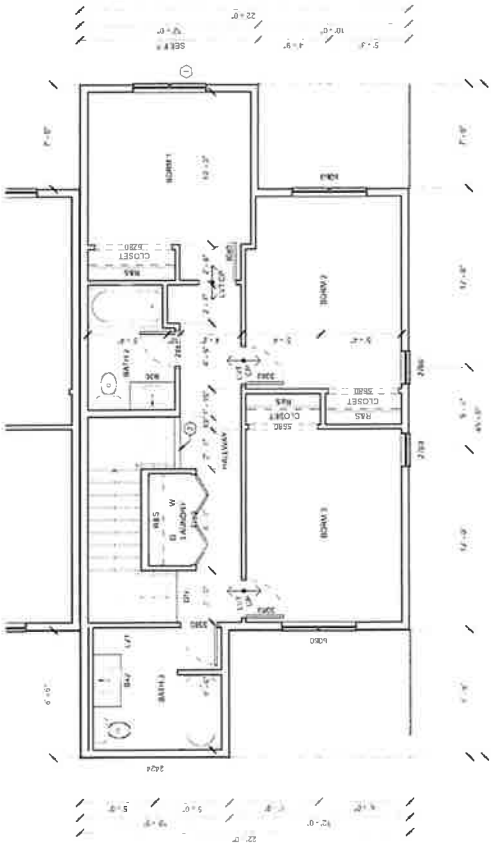
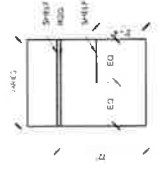
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GENERAL FINISH NOTES:

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PLAN KEY NOTES (FLOOR)

1. WINDOW LOCATIONS VARY Slightly FROM PLANS.
2. WALLS 4" AT F. W. WOOD CAP.
3. FINISHES CONCRETE FLOOR.
4. UNLESS SHOWN OTHERWISE.
5. UNLESS SHOWN OTHERWISE.



1ST FLOOR - UNIT PLAN

2ND FLOOR - UNIT PLAN

City of Fargo, North Dakota

Payment in Lieu of Taxes Program

“But-For” Report

Bison Lodge



August 15, 2025



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Purpose

The purpose of this report is to establish and determine the allowable value of the payment in lieu of taxes (PILOT) tax exemption for Bison Lodge, a development by Nicholas and Betsy Yanez-Rich (the "Developer").

PFM first reviewed the application to ensure that appropriate assumptions regarding property value, rent, vacancy, expenses, and debt were used by the Developer. Based on those assumptions, PFM projected a 10-year cash flow, calculating an internal rate of return ("IRR"). We also made sure the Developer followed the City of Fargo's (the "City") Economic Development Incentives Policies and Guidelines (the "Policy") including the allowable costs and the Developer's calculations for determining the amount of allowable subsidy financing. The following report details PFM's analysis and conclusions concerning the viability of the proposed project without the subsidy.



Project

The project being proposed by the Developer includes the new construction of a 6-unit multifamily townhome development located at 1102 and 1110 17th Street North. The townhomes each include three bedrooms and three bathrooms with a den/study on the main floor.

The Developer estimates the construction will be completed in the Summer of 2026 with occupancy immediately following.



Project Financing

The Developer stated they are investing 13% equity, or \$275,000. This equity is not cash equity, rather it is borrowed through a life insurance policy held by the parents of Betsy Yanez-Rich. The Developer will be privately financing up to \$1,800,000. The \$275,000 was used to purchase the land and is interest-only for the first seven years. The Developer intends to refinance the private loan in year seven and pay off the life insurance policy loan. The private financing is estimated to be a 25-year loan with an estimated interest rate of 6.5% resulting in an annual principal and interest payment of \$145,845. If additional equity is required then the parents of Betsy Yanez-Rich plan to loan the required money to the Developer at a rate of 6%.



Return Analysis

In calculating the internal rate of return, PFM first analyzed the Developer's assumptions including expected monthly rent, vacancy rate, and operating expenses. The Developer is proposing monthly rents of \$2,800 per unit. The Developer has proposed a reasonable amount for rent for the current market and location. Annual estimates of operating expenses for the 6-unit rental development were provided, as follows; Insurance - \$6,000, Maintenance and Utilities - \$7,440, Property Management - \$16,128, and Real Estate Taxes - \$24,139 (without Public Assistance). The total expenses are approximately 27% of gross operating income after stabilization.

The second step in determining the internal rate of return is to determine the earned incremental value of the property over a 10-year period. That value, along with the net operating income cash flows, was used to calculate the internal rate of return. PFM determined that without Public Assistance the Developer would have about a 4.24% internal rate of return based on a 10-year internal rate of return. Assuming the proposed policy of 100% PILOT for seven years, the Developer would have about an 8.85% internal rate of return for 10 years if it received the Public Assistance. Assuming the existing policy of 100% PILOT for the first five years and 50% PILOT for the next five years, the Developer would have an internal rate of return of 9.04%. A reasonable rate of return for the proposed project is 10% - 15%.

Another measure of feasibility and project viability is the debt coverage ratio. PFM has projected a maximum debt coverage ratio in Year 10 of 1.30x without assistance, with a Year 4 coverage of 0.97x. If the City provided assistance to the project the maximum debt coverage is projected to be 1.30x in Year 10, with a Year 4 coverage of 1.11x. For the existing policy, the maximum debt coverage is estimated to be 1.38x in Year 10.

Using PFM's "without assistance" cash flow as the base scenario, PFM ran sensitivity analyses in order to determine if the project would be likely to occur without Public Assistance. For the first sensitivity analysis, PFM analyzed how much project funds would have to decrease in order to produce a reasonable debt coverage ratio. We also looked at how much the rental rates would have to fluctuate in order to achieve a reasonable debt coverage. Lastly, we looked at a combination of the two scenarios. For the sensitivity analyses, we assumed an IRR of 10%.

Sensitivity Scenario 1 – Project Costs

The project would have to be reduced by \$147,000 or 7.1% in order for the project to become viable without assistance. This reduces the amount to be financed from \$1,800,000 to \$1,653,000 and reduces the annual payment from \$196,560 to \$133,934 for the loan. Given the Developer has not gone out for bid yet, it is possible the project cost could be reduced by this amount.

Sensitivity Scenario 2 – Rental Rates

In order for the project to be viable without Public Assistance, the apartment rental rates would have to increase by 9.2%. PFM believes this is a high increase to the Developer's proposed rents. This increases annual rental revenue from \$196,560 to \$214,601. PFM believes the current proposed rents are reasonable rental rates and does not believe an increase this large would occur.

Sensitivity Scenario 3 – Combination of Project Costs and Rental Rates

The final scenario looks at both a reduction of project costs and an increase in apartment rental rates. The analysis showed that project costs would have to be reduced by \$75,000 or 3.6% and rental rates would have to increase by about 4.5%. Either of these events could occur but may be unlikely to occur together.

The above scenarios show the circumstances in which the project would become viable without Public Assistance. PFM has determined that the project is unlikely to occur "but-for" the Public Assistance.



Conclusion


The Developer will bear all the risk involved with the project. The Developer is dependent on a number of factors before and after the project is completed, including project costs, occupancy of the buildings, the rental market, and monthly expenses. The base scenario without assistance along with the sensitivity analyses demonstrates that the project would be unlikely to be feasible without assistance.

PFM has calculated that with Public Assistance, and based on the assumptions outlined in this report, a 10-year internal rate of return is estimated to be 8.85% for the proposed policy and 9.04% for the existing policy. In addition, the coverage ratio in Year 10 is estimated to be 1.30x for the proposed policy and 1.38x for the existing policy. The estimated internal rate of return is below what is to be expected for this project, but the Developer stated that this is a long-term investment and they intend to keep it in the family. Based on the information provided to PFM, the calculated internal rate of return and the coverage requirements, PFM concludes the project would not be feasible without Public Assistance.



MEMORANDUM

TO: Fargo City Commission

FROM: Jim Gilmour, Director of Strategic Planning and Research 

DATE: August 19, 2025

SUBJECT: Commercial Redevelopment PILOT

I drafted the attached Commercial Redevelopment PILOT Policy for your consideration. The basis for this policy was the discussion at a past meeting on the proposed Center for Innovation.

In addition to that discussion, the new Growth Plan is encouraging more infill development instead of the current pattern of a large percentage of growth occurring on the fringe of the City. This policy would be an affirmative step to implement that plan.

Please bring your thoughts on changes to this draft policy. I have kept the policy general like our other PILOT policies so the City can address projects with unique characteristics.

Recommended Motion

Adoption of a new PILOT Policy for Commercial Redevelopment

3E. Commercial Redevelopment

The purpose of this policy is to establish the City's position relating to the use of the Payment in Lieu of Taxes (PILOT) for encouraging redevelopment of commercial areas with high vacancies and/or economically obsolete buildings. The fundamental purpose is to encourage developers to redevelop commercial or apartment buildings that are on previously developed sites. Projects should create new development that has some of the following characteristics.

- Higher value and higher density buildings
- Opportunities for economic development
- Mixed use developments with shared parking
- Desirable land uses
- Consistent with City Plans
- Improved design and public amenities

Applications should not provide an unfair competition to existing development and are subject to a "but for" test to evaluate the need for incentives. The maximum incentive is a 100% PILOT property tax incentive for up to 10 years.

Center of Innovation

BUSINESS PLAN 2.5

FEBRUARY 11

ROERS

Authored by: Shawn Kessel
Director of Business Development

Center of Innovation

Business Plan 2.5

The Center of Innovation is a groundbreaking live-work-play hub, seamlessly integrating cutting-edge business spaces, 225 modern apartments, premium amenities, and enclosed parking to create a thriving ecosystem for entrepreneurs, professionals, and forward-thinking investors.

This business plan is intended to be the source of information regarding the Center of Innovation project moving forward.

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Executive Summary

The **Center of Innovation** is designed to foster entrepreneurship, advance technology, and business development in a highly collaborative environment. This mixed-use development will provide co-working environments, private offices, event spaces, leased commercial space, residential units, and various business support services. The project is structured for long-term financial sustainability, generating revenue through memberships, office rentals, event hosting, naming rights, leased space, residential leasing, and additional service offerings.

The main building will encompass 200,000 square feet, with 155,000 square feet dedicated to leased commercial tenant space and 45,000 +/- square feet allocated to co-working areas. The co-working space will serve startups, mobile workers, established businesses, and entrepreneurs, while the leased commercial space is tailored to attract tech, ag-tech, and biotech companies, along with select legacy businesses. Additionally, an integrated apartment complex with 225 residential units will complement the Center of Innovation, providing convenient long and short-term housing for entrepreneurs, professionals, students and visitors. This mixed-use approach ensures a vibrant, live-work-play environment where residents and business tenants benefit from shared amenities, business services, and networking opportunities.

A 22,000-square-foot space on the first floor of the apartment complex and in between the Center of Innovation and the apartment complex will house key amenities, including a childcare center, fitness center and shared business services, catering to both residents, mobile and commercial tenants. The development also features enclosed parking, enhancing accessibility and convenience for tenants, members, and visitors.

The total revenue-generating space within the project will reach 222,000 square feet of commercial space, driving strong financial performance. The business plan projects sustainable growth over three years, targeting a 15% net profit annually, with 15% reinvested into business expansion to ensure continuous innovation and development.

“The Center of Innovation is a hub where ideas spark, collide, and ignite, fostering a dynamic environment where creativity flourishes and the boundaries of possibility are constantly pushed.”

~Jim Roers

Business Objectives

- **Provide a dynamic workspace** that fosters innovation, entrepreneurship and business growth.

- **Generate diversified revenue streams** from memberships, office rentals, programming, leased space, and business services.
- **Achieve a 15% net profit margin** while reinvesting 15% into business improvements.
- **Attract a strong pipeline of tenants** by leveraging strategic partnerships and marketing efforts, allowing the coworking space to feed the Center of Innovation space.
- **Lease 155,000 sq. ft. of space** to early-stage tech, ag-tech, and biotech companies.
- **Lease 45,000 sq. ft. of space** to coworking spaces that promote entrepreneurship.
- **Lease 22,000 sq. ft. of space** to amenities driven, personal services to augment the customer/tenant experience.
- **Provide value-added services such as childcare and fitness center**, which cater to Center of Innovation tenants and apartment tenants.
- **Generate additional revenue** through facility naming and event space naming rights.
- **Maintain long-term sustainability** by leveraging tax credits, shared resources, and energy-efficient building solutions.

Facility Overview

- **Total Revenue Generating Commercial Space:** 222,000 sq. ft.
- **Office Co-Working Space Allocation (20,000 sq. ft.):**
 - Conference Rooms: 3 rooms (500 sq. ft. each) = 1,500; 1 dedicated solely to provider and 2 shared with Roers
 - Collaboration Rooms: 3 rooms (250 sq. ft. each) = 750; 1 dedicated solely to provider and 2 shared with Roers
 - Pod Cast studio: 1 room (100 sq. ft. each) = 100
 - *Event Space/s: 1 area, subdivisible (4,000 sq. ft.); shared space with provider and Roers*
- **Shared Co-Working Lab & R&D Space: 20,000 sq. ft.** for biotech/ag-tech tenant = 20,000
- **Shared Kitchen Space: 5,000 sq. ft.**
 - 2 Work spaces in the Kitchen Area
 - 2 Working spaces in the Prep Area
 - Client Storage
 - Events/Classes/Private Lessons
- **Leased Commercial Space Allocation (155,000 sq. ft.):**
 - Large Units (20,000 sq. ft.): 3 units for mid-sized businesses = 60,000
 - Medium Units (10,000 sq. ft.): 6 units for growing businesses = 60,000
 - Small Units (2,500 sq. ft.): 10 units for early-stage teams = 25,000
 - Common Areas & Amenities: 10,000 sq. ft. for shared bathrooms, hallways and loading dock space
- **Amenities driven/Personal Services Leased space (22,000 sq. ft.)**

- 3 units of fast food/fast casual restaurant/s (1,500 x 2 + 2,000 sq. ft.) = 5,000
- 2 units retail (2,500 sq. ft.) = 5,000
- 1 unit commercial (personal service) = 3,500
- Wellness/Fitness area = 6,000
- 1 unit (chiropractor) = 2,500

Concierge/Accelerator Services

Concierge Services

- Secure Storage \$15/mo.
- Notary service
- Wellness Center
- Professional Headshot
- Access to off-street parking
- Financial Advisory services
 - Banking, Budgeting creation, Debt management, Wealth management, etc.
- Accounting
 - Bookkeeping, auditing, tax,
- Legal Services
 - Intellectual property, Patent, Labor Law, Contract, Mergers/Acquisitions, etc.
- Human Resources
 - Talent acquisition, employee retention, training/development, compliance, etc.
- Business Advisory
 - Business strategy, Risk advisory, Business outsourcing, grant writing, etc.
- Marketing
 - Social media campaigns, search engine optimization, product promotion, etc.
- 3D Printing and copying
- Mailbox/Address \$25/mo.
- Childcare
- Rooftop Lounge
- Food/Catering
- Registered Agent

Revenue Model

1. Office Coworking Space (Annual Revenue: \$559,300 ave. per year net @ 10 years)

- Year 1 Net \$110,000 @ 50% occupancy
- Year 2 Net \$388,000 @ 79% occupancy
- Year 3 Net \$522,000 @ 85% occupancy
- Year 4 Net \$607,000 @ 85% occupancy

2. Shared Kitchen Space (Annual Revenue: \$282,810 ave. per year net @ 4 years)

- Kitchen area \$33.5 an hour
 - Year 1 Net (10 hours a day x 330 days x \$33.5) \$115,500/5,000= \$23.10sf
 - Year 2 Net (14 had x 335 days x \$34.51) \$161,852/5,000 = \$32.37sf

- Year 3 Net (18 had x 340 x \$35.55) $\$217,566/5,000 = \43.51
- Year 4 Net (22 had x 345 x \$36.61) $\$277,870/5,000 = \55.57
- Prep area \$23.50 an hour
 - Year 1 Net (10 had x 150 x \$23.50) $\$35,250/5,000 = \7.05
 - Year 2 Net (14 had x 155 x \$24.21) $\$52,536/5,000 = \10.51
 - Year 3 Net (18 had x 160 x \$24.93) $\$71,798/5,000 = \14.36
 - Year 4 Net (22 had x 175 x \$25.68) $\$98,868/5,000 = \19.77
- Ancillary Revenue Classes/Parties/Lessons \$25,000
- 3. Leased Commercial Space – Center of Innovation; \$19 psf x 155,000 sf = \$2,945,000**
 - Year 1 \$2,061,500 @ 70% occupancy
 - Year 2 \$2,426,680 @ 80% occupancy + 3% escalator
 - Year 3 \$3,124,800 @ 90% occupancy + 3% escalator
- 4. Shared Lab & R&D Space; \$20 psf x 20,000 sf = \$400,000**
 - Year 1 \$400,000
 - Year 2 \$412,000 with 3% escalator
 - Year 3 \$424,400 with 3% escalator
- 5. Leased Amenities/Personal Service Space; \$19 psf x 22,000 sf = \$418,000**
 - 3 units of fast food/fast casual (5,000 sq ft)
 - 2 units office/retail (5,000 sq ft)
 - Wellness/Fitness area (6,000 sq. ft.)
 - 1 divisible unit (4,600 sq. ft.)
 - Year 1 \$292,600 @ 70% occupancy
 - Year 2 \$344,432 @ 80% occupancy + 3% escalator
 - Year 3 \$443,520 @ 90% occupancy + 3% escalator
- 6. Naming Rights Sponsorships; Annual Revenue: \$125,000**
 - Center of Innovation Naming Rights: \$100,000/5 years
 - Event Space Naming Rights: \$25,000/2 years
- 7. Concierge Services; Annual Revenue: \$25,000**
 - Notary Services, Secure Storage, Printing, Consulting, Headshots, and Gym Memberships
- 8. Common Area Charges (CAM); \$6 psf x 210,000**
 - Discounted first year to 70%, second year 80% and third year 90%

Revenue	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Shared Kitchen	\$ 175,750.00	\$ 239,388.00	\$ 314,364.00
Office/coworking*	\$ 110,000.00	\$ 388,000.00	\$ 522,000.00
Events/mtg rooms	\$ 25,000.00	\$ 31,750.00	\$ 38,340.00
Commercial*	\$ 2,061,500.00	\$ 2,426,680.00	\$ 3,124,800.00
Shared Lab	\$ 400,000.00	\$ 412,000.00	\$ 424,400.00
Amenities/per service*	\$ 292,600.00	\$ 344,432.00	\$ 443,520.00

Naming	\$ 146,250.00	\$ 146,250.00	\$ 150,637.50
Concierge	\$ 25,000.00	\$ 25,750.00	\$ 26,522.00
CAM	\$ 1,001,700.00	\$ 1,144,800.00	\$ 1,287,900.00
Total	\$ 4,237,800.00	\$ 5,159,050.00	\$ 6,332,483.50

*Occupancy (where applicable) 70% 80% 90%

Expense Projections (including staffing plan)

Staffing Plan

The Center of Innovation will employ a mix of full-time and part-time staff to efficiently manage operations and tenant services.

<u>Job Title</u>	<u>Number of Employees</u>	<u>Employment Type</u>	<u>Wage per Employee</u>	<u>Total Annual Cost</u>
Community Coordinator	1	Full-Time	\$70,000	\$91,000
Administrative Assistant	1	Full-Time	\$52,000	\$67,600
Administrative Assistant	1	Part-Time	\$25,000	\$25,000
Interns	2	Part-Time	\$17,500	\$35,000
Front Desk Concierge	3	Part-Time	\$31,500	\$93,600

Total Staffing Costs: \$312,200

- Utilities: (\$1.47 sq. ft.)
- Maintenance & Cleaning: (\$1.45 sq. ft)
- Mechanical Maintenance (.40 sq. ft.)
- Miscellaneous: (\$5.36 sq. ft)
 - Marketing & Advertising
 - Technology & Software
 - General Admin & Supplies
 - Insurance & Legal
- \$8.68 sq ft x 225,000 = **\$1,953,000**

<u>Expense</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Staffing	\$ 312,200.00	\$ 324,688.00	\$ 337,675.52
Utils/Main/Mechanical/Misc	\$ 1,953,000.00	\$ 2,050,650.00	\$ 2,153,182.50
Total	\$ 2,265,200.00	\$ 2,375,338.00	\$ 2,490,858.02

Financial Projections (3 Years)

Revenue	\$ 4,237,800.00	\$ 5,159,050.00	\$ 6,332,483.50
Expenses	<u>\$ 2,265,200.00</u>	<u>\$ 2,375,338.00</u>	<u>\$ 2,490,858.02</u>
	\$ 1,972,600.00	\$ 2,783,712.00	\$ 3,841,625.48

Risk Mitigation Strategies

- **Capital Access & Grants:** Pursue tax credits, grants, and alternative funding sources.
- **Operational Cost Efficiency:** Implement shared amenities and technology solutions to keep overhead costs low.
- **Market Adaptability:** Flexible membership options and hybrid work solutions to align with changing business needs.
- **Tenant Acquisition Pipeline:** Structured vetting and onboarding process to attract high-value tenants.

Marketing Strategies

- **Digital Presence & Social Media**
 - Develop a user-friendly website with online booking and virtual tours
 - Social media campaigns showcasing tenant success stories and amenities
 - Paid online advertising targeting entrepreneurs and businesses
- **Community Engagement**
 - Host networking events, industry conferences, and training workshops
 - Partner with local business organizations and chambers of commerce
 - Offer referral incentives to current tenants
- **Strategic Partnerships**
 - Collaborate with corporate sponsors for branding and event sponsorships
 - Partner with fitness and wellness brands for exclusive services
 - Collaborate with schools and universities to attract young professionals
- **Direct Outreach & Sales**
 - Dedicated leasing team to engage potential tenants
 - Personalized tours and consultation services
 - Targeted email marketing campaigns
- **Naming Rights Promotion**
 - Target corporate sponsors and industry leaders for branding opportunities within the co-working space, event space, lab, Center of Innovation and Co-working business.

Conclusion

The **Center of Innovation** is a groundbreaking mixed-use development that redefines how businesses, entrepreneurs, and residents connect, collaborate, and thrive. With state-of-the-art co-working spaces, premium leased commercial space, 225 modern residential units, and enclosed parking, this project is uniquely positioned to attract high-growth companies, forward-thinking startups, and top talent. More than just a business hub, it is a dynamic live-work-play ecosystem, seamlessly integrating innovation, convenience, and community to drive economic growth and entrepreneurial success. Backed by strong financial projections, diversified revenue streams, and a sustainable 15% annual net profit, the Center of Innovation is a high-value investment opportunity poised for long-term success. With 222,000 square feet of revenue-generating space, strategic partnerships, and an unmatched suite of amenities, the project is set to become the premier innovation destination in the region. By fostering creativity, business development, and modern urban living, the Center of Innovation will not only transform the local economy but also set a new standard for future-forward developments.

Assumptions

3% escalator per year on revenue

2% escalator per year on expenses

- 4% escalator on staffing expenses

70% occupancy in leased space (222,000) Year 1

80% occupancy in leased space (222,000) Year 2

90% occupancy in leased space (222,000) Year 3

Apartment revenue not included

Cost of financing the project is not included

*We have not determined the best business model for wellness center operations, so membership revenue and expenses are not included. Therefore, there are no staff to operate the facility included in the staffing model.

