

FARGO CITY COMMISSION AGENDA
Tuesday, February 21, 2023 - 5:00 p.m.

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at www.FargoND.gov/streaming. They are rebroadcast Mondays at 5:00 p.m., Thursdays at 7:00 p.m. and Saturdays at 8:00 a.m. They are also included in the video archive at www.FargoND.gov/citycommission.

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, February 6, 2023).

CONSENT AGENDA – APPROVE THE FOLLOWING:

- 1. 2nd Reading and final adoption of the following Ordinances; 1st reading, 2/6/23:
 - a. Relating to Cigar Smoking in Public Places and Places of Employment Prohibited.
 - b. Relating to Taxicabs and Vehicles for Hire.
 - c. Relating to Classification of Ordinance Violations.
- 2. Adopt the Taxi and Vehicle for Hire Resolution as presented.
- 3. Changes to the Gambling Requirements.
- 4. Extension of the Class “A” Alcoholic Beverage License for 518 Properties, LLC d/b/a Summit Nightclub until 8/31/23.
- 5. Gaming Site Authorization for Metro Sports Foundation at Country Inn & Suites (new owners).
- 6. Applications for Games of Chance:
 - a. Knights of Columbus – 6570 for a calendar raffle from 4/1/23 to 4/30/23.
 - b. Love Your Buns for a raffle on 3/11/23; Public Spirited Resolution.
 - c. North Central Turfgrass Association for a raffle on 3/1/23.
 - d. North Dakota Pottery Club Society for a raffle on 6/9/23 and 6/10/23.
 - e. St. John Paul II Catholic Schools for a raffle on 5/15/23.
 - f. Red River Valley Figure Skating Club – Fargo Ice Show for a raffle on 3/12/23.
 - g. Safari Club International North Dakota Chapter for a raffle and raffle board on 3/11/23.
 - h. USA Wrestling of North Dakota for a raffle on 7/20/23.
- 7. Direct the City Attorney to prepare amendments to Fargo Municipal Code, Article 25-15 – Alcoholic Beverages, relating to mandatory meeting.
- 8. Direct the City Attorney to prepare amendments to Fargo Municipal Code, Article 25-15 – Alcoholic Beverages, relating to owner/manager changes and reporting requirements.
- 9. Direct the City Attorney to prepare amendments to Fargo Municipal Code, Article 25-15 – Alcoholic Beverages, relating to signs of impairment.

- Page 10. Agreement for Pavement Management Analysis with Infrastructure Management Services in the amount of \$49,096.00 for Project No. MS-22-L0 (RFQ22169).
11. Encroachment Agreement with CHI Living Communities.
 12. Bid advertisement for Project No. NR-23-B.
 13. Work to be Performed with Latoka Restorations d/b/a SERVPRO of Fargo Moorhead for repairs at the Fargo Cass Public Health building.
 14. Application for Assistance to Firefighters grant for vehicle exhaust systems, gear washers and equipment washers.
 15. Application for a Staffing for Adequate Fire and Emergency Response grant.
 16. Amendment to Agreement for Services with Great Outcomes Consulting, LLC (SSP23052).
 17. Notice of Grant Award from the ND Department of Health and Human Services for HIV.HCV Counseling, Testing and Referral (CFDA #93.940).
 18. Purchase Agreement with Elevate Communities LLC for acquisition of 802 32nd Street North and 3129 7th Avenue North.
 19. Purchase of (180) 8x10 multi-curve SAPI cut rifle rated trauma plates from Protector Capital, LLC in the amount of \$43,655.00 (RFQ23051).
 20. Purchase of (80) 10x16 BallisticBoard backpack insert (rifle protection) from Protector Capital, LLC in the amount of \$27,870.00 (RFQ23048).
 21. Facility Use Agreement with the ND Department of Corrections and Rehabilitation to utilize the Fargo Regional Law Enforcement Training Center.
 22. Awarding of Water Main Materials, Miscellaneous Materials, Fire Hydrants/Parts and Miscellaneous Street Materials to Ferguson Waterworks in the amount of \$214,278.34 (RFP23034).
 23. Awarding of Aggregate Materials, Concrete, Asphalt and Emulsified Asphalt as presented (RFP23035).
 24. Purchase of one articulated wheel loader from Butler Machinery Company in the amount of \$83,390.00 (RFP23041).
 25. Third Addendum to the Technology License and Service Agreement with DoubleMap, TransLoc.
 26. Purchase of ten Transit buses from New Flyer of America
 27. Bills.
 28. Negative Final Balancing Change Order No. 4 in the amount of -\$27,248.43 for Improvement District No. BN-21-L1.
 29. Preliminary Engineering Services Agreement (Quiet Zone Project) with BNSF Railway Company for Improvement District No. RR-19-A1.

31. Create Improvement District No. PR-23-E.

32. Contract and bond for Improvement District No. BR-23-E1.

REGULAR AGENDA:

33. **RESIDENT COMMENTS (Fargo residents will be offered 2.5 minutes for comment with a maximum of 30 minutes total for all resident comments. Residents who would like to address the Commission, whether virtually or in person, must sign-up at FargoND.gov/VirtualCommission).**

34. ***Public Input Opportunity* - PUBLIC HEARINGS - 5:15 pm:**

a. Duane's Pizza Addition (1601, 1605, 1615, 1617, 1619, 1621, 1623, 1627 and 1629 University Drive South; 1602, 1606, 1610, 1614, 1618, 1622 and 1626 13 1/2 Street South; 1321 17th Avenue South); approval recommended by the Planning Commission on 1/3/23:

1. Zoning Change from SR-2, Single-Dwelling Residential, SR-3, Single-Dwelling Residential and LC, Limited Commercial to LC, Limited Commercial with a PUD, Planned Unit Development Overlay.
2. 1st reading of rezoning Ordinance.
3. Plat of Duane's Pizza Addition.
4. Planned Unit Development Master Land Use Plan.

b. Hearing to consider a Renewal Plan and Developer Agreement for Tax Increment Financing District No. 2023-01 (1600 block of University Drive South, on the west side of the street).

c. Application to transfer a Class "ABH" Alcoholic Beverage License from Fargo Suites d/b/a Fargo Suites to Fargo Sunrise Hotel LLC d/b/a Country Inn & Suites to be located at 3316 13th Avenue South.

d. Application for a Class "H" Alcoholic Beverage License for CEC Entertainment, LLC d/b/a Chuck E. Cheese to be located at 1202 Nodak Drive.

35. Update on the 32nd Avenue South Reconstruction Project – Phase 2 (Improvement District No. BR-23-G0).

36. Recommendation to expand the Sustainability and Resiliency Committee.

37. Applications for Property Tax Exemptions for Improvements Made to Buildings:

- a. Bussinger Properties II LLLP, 725 18 Street North (5 years).
- b. Melissa and Aaron Rohrich, 1212 7th Street South (5 years).
- c. Michael and Carly Gunderson, 3619 River Drive South (5 years).
- d. Matthew Graber, 1322 15th Street South (5 years).
- e. Northern Property Group LLC, 2402 8th Avenue North (5 years).
- f. Ole Thomassen, 1621 10th Avenue South (5 years).
- g. Jeremy and Renne Leiviska, 4111 15th Street South (5 years).
- h. Timothy and Maria Olson, 513 20th Avenue North (5 years).
- i. Donald Geigle, 3340 17th Avenue South Unit 102 (5 years).
- j. Kyle and Danielle Oetjer, 4833 Meadow Creek Drive South (5 years).

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- k. Julie Sanderson, 2018 8th Street North (5 years).
 - l. Andrew Snyder, 1604 52nd Avenue South (5 years).
 - m. Benjamin Martin and Kelsey Baker, 3830 20th Street South (5 years).

38. Legislative Update.

39. Liaison Commissioner Assignment Updates.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 701.241.1310 at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo website at www.FargoND.gov/citycommission.

City of Fargo Staff Report			
Title:	Duane's Pizza Addition	Date: Update:	12/29/2022 2/16/2023
Location:	1601, 1605, 1615, 1617, 1619, 1621, 1623, 1627, and 1629 University Drive South; 1602, 1606, 1610, 1614, 1618, 1622, and 1626 13 1/2 Street South; 1321 17th Avenue South	Staff Contact:	Maegin Elshaug
Legal Description:	Lots 1-8, less the vacated right-of-way and Lots 9-16, Block 28, Morton & Doty's Addition		
Owner(s)/Applicant:	BLOC Partners, LLC/Craig Development, LLC	Engineer:	Lowry Engineering/Neset Land Surveys
Entitlements Requested:	Zoning Change (from SR-2, Single-Dwelling Residential, SR-3, Single-Dwelling Residential, and LC, Limited Commercial to LC, Limited Commercial with a PUD, Planned Unit Development Overlay); a PUD Master Land Use Plan within the boundaries of the Duane's Pizza Addition; and Minor Subdivision (replat of Lots 1-8, less the vacated right-of-way and Lots 9-16, Block 28, Morton & Doty's Addition to the City of Fargo, Cass County, North Dakota).		
Status:	City Commission Public Hearing: February 21, 2023		

Existing	Proposed
Land Use: Commercial and Residential	Land Use: Mixed-use development
Zoning: SR-2, Single-Dwelling Residential, SR-3, Single-Dwelling Residential, and LC, Limited Commercial	Zoning: LC, Limited Commercial with a PUD, Planned Unit Development Overlay
<p>Uses Allowed: SR-2 Allows detached houses, daycare centers up to 12 children, parks and open space, religious institutions, safety services, schools, and basic utilities</p> <p>SR-3 Allows detached houses, daycare centers up to 12 children, attached houses, duplexes, parks and open space, religious institutions, safety services, schools, and basic utilities</p> <p>LC – Limited Commercial Allows colleges, community service, daycare centers of unlimited size, health care facilities, parks and open space, religious institutions, safety services, basic utilities, offices, off premise advertising signs, commercial parking, retail sales and service, self-service storage, vehicle repair, limited vehicle service and certain telecommunications facilities.</p>	<p>Uses Allowed: LC – Limited Commercial Allows colleges, community service, daycare centers of unlimited size, health care facilities, parks and open space, religious institutions, safety services, basic utilities, offices, off premise advertising signs, commercial parking, retail sales and service, self-service storage, vehicle repair, limited vehicle service and certain telecommunications facilities.</p> <p>With Residential Use through PUD</p>
Maximum Density Allowed (Residential): SR-2 allows 5.4 units per acre; SR-3 allows 8.7 units per acre	Maximum Density Allowed (Residential): PUD allows 47 units per acre
Maximum Lot Coverage Allowed: LC allows 55% building coverage	Maximum Lot Coverage Allowed: Unchanged

Proposal:

The applicant requests the approval of three entitlements:

- **Zoning Change** (from SR-2, Single-Dwelling Residential, SR-3, Single-Dwelling Residential, and LC, Limited Commercial to LC, Limited Commercial with a PUD, Planned Unit Development Overlay
- **PUD Master Land Use Plan;**
- **Minor Subdivision** (replat of Lots 1-8, less the vacated right-of-way and Lots 9-16, Block 28, Morton & Doty's Addition to the City of Fargo, Cass County, North Dakota).

Project Summary

BLOC Partners, LLC proposes a 5-story mixed-use development, consisting of 127 residential apartment units, 15,258 square feet of commercial space, with 162 internal parking spaces between underground and main floor, and 114 surface level parking spaces.

December 6, 2022 Planning Commission meeting

At the December 6, 2022 Planning Commission meeting, staff introduced the Planning Commission to the proposed BLOC project as a non-public hearing item. The applicant addressed the Commission at that meeting and provided more detail about the proposed project. The commission discussed aspects of the Go2030 comprehensive plan, placement of the building on the block, walkability and pedestrian experience, current function and future of University Drive South, changes to the site including the elimination of access from University Drive South, and the importance of the neighborhood businesses.

December 6, 2022 Open House

In the evening of December 6, 2022, from 5:00-6:30 in the Sky Commons (Civic Center) a public open house was attended by approximately 35 people, as well as several commission members and staff from the Planning, Engineering and Strategic Planning and Research departments. With this project, there has been a greater focus on communications and neighborhood reach for a wider audience to learn more about the project and provide comment, as one of the City's concerted efforts of implementing recommendations of the Core Neighborhoods Plan. For the open house, staff notified at the 1/4 mile buffer, as calculated from the property, direct email invitations to interested stakeholders, social media postings and invitations to City boards. Jesse Craig, with BLOC Partners, LLC, gave a short presentation at approximately 5:30. Question and answer format followed for the remainder of the meeting. Comments and questions from attendees included:

- Attendees asked more detailed questions about the project, including number of units, number of residents, businesses that would stay, driveway locations
- Concern of the scale, building height, and density
- Concern for and also lack of affordable housing
- Concern for increased traffic, noting area is already congested
- Concern of increase in property taxes due because of the proposed project
- Concern of road reconstruction and subsequent special assessments because of project
- Concerns on number of drive-thrus, with the suggestion to reduce from three to two
- Questions and concerns about tax increment financing request

Other Comments Received

Prior to and after the neighborhood meeting, staff received several calls and emails regarding the project. Questions and comments include:

- General inquiry
- Support for the project
- Concern of the scale
- Concern for intersection operations and increased traffic
- Concern of impacts related to construction including road closures, staging areas and worker parking
- Concern for access into site, parking on the site and along the street that is currently congested, and queuing of stacking spaces
- Questions and concerns about tax increment financing request
- Questions on storm water retention, landscaping, delivery trucks, snow removal, electric charging stations

Common Questions and Responses

Based on common questions received, staff has prepared a FAQ sheet, which is attached to this packet and also posted at the City of Fargo website (see attachment for the website).

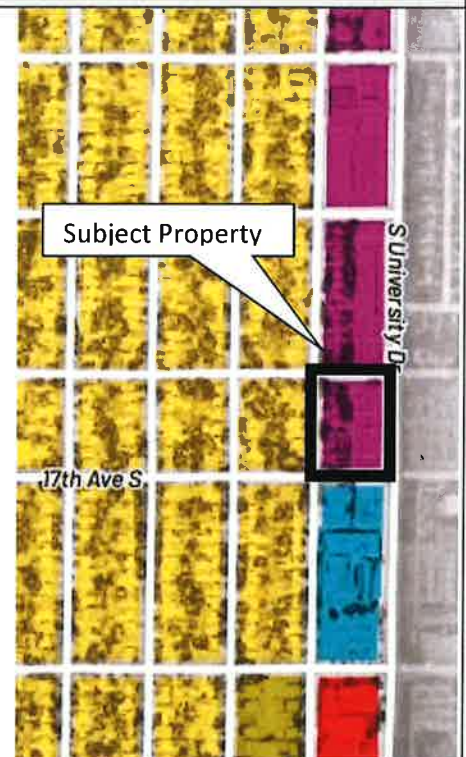
This project was reviewed by the City's Planning and Development, Engineering, Public Works, and Fire Departments ("staff"), whose comments are included in this report.

Surrounding Land Uses and Zoning Districts:

- North: Across 16th Avenue South is LC, Limited Commercial and SR-2, Single-Dwelling Residential with commercial and detached residential;
- East: Across University Drive South is GO, General Office with a parking lot;
- South: Across 17th Avenue South is LC and SR-2, owned by Sanford;
- West: Across 13 ½ Avenue South is SR-2 with detached residential.

Area Plans:

The Future Land Use Map of the Lewis & Clark Neighborhood implementation brief within the Core Neighborhoods Plan (CNP) identifies the subject property as appropriate as mixed-use neighborhood commercial. Per the CNP, Neighborhood commercial opportunities such as restaurants, local retail establishments and community gathering spaces with residential uses incorporated into the development are the primary components of this land use designation. Mixed-Use designation requires the inclusion of a residential component to ensure 24 hour viability. Additionally, walking and cycling access must be fully integrated into these developments.



Context:

Neighborhood: Lewis & Clark (Clara Barton is just across University Drive to the east.

Schools: The subject property is located within the Fargo Public School District, specifically the Lewis & Clark Elementary, Carl Ben Jr High and South Senior High schools.

Parks: Lewis & Clark Park (1807 16th St S) that includes sports courts and fields, outdoor skating rink and warming house, picnic tables and playground, and Clara Barton Park (1451 6th St S) that includes sports courts and fields, outdoor skating rink and warming house, and playground. Just beyond a half-mile are the following facilities: Southwest Recreational Pool, Tharaldson Little League Complex, Sports Arena at South High, Burdick Park, Ponte's Park, and Lindenwood Park.

Pedestrian / Bicycle: Currently, there are no shared-use paths located in proximity to the property. At the time of redevelopment, University Drive South and 17th Avenue South are intended to have shared use paths.

Bus Route: Route 14 runs along University Drive South and route 16 runs along 17th Avenue South. A bus stop is located approximately 150 feet north of the subject property along University Drive South and a shelter is located approximately 400 feet to the east on 17th Avenue South.

Core Neighborhoods Plan: Supports and encourages "complete street" roadway designs and a focus to encourage all modes of transportation. When reviewing WalkScore.com, this location has a 72 score (very walkable).

Staff Analysis:

Update 2/16/2023: Below within this staff report is the history of the Planning Commission review. All items have been resolved except for those specified on pages 10 and 11 of the staff report.

Current Application Review Status:

As of the writing of this staff report, staff continues to evaluate details of the proposal as it relates to the built environment, including building façade materials and design, pedestrian environment, impacts to the neighborhood including traffic and parking, future of University Drive corridor in this location, as well as technical details related to the plat. Planning staff continues to work with the Engineering staff on necessary project information to continue evaluation.

On December 19th staff reached out to affirm any updates to the submittal materials. As none were received, staff began issuing formal comments in writing and by phone, on December 22nd as well as recommending a continuation to the February 7th Planning Commission meeting to obtain more specifications within the plans submitted in order to better define the PUD Overlay ordinance as well as to better inform the public and commissioners feedback on the review. On December 27th, staff received a revised PUD Master Land Use Plan and updated renderings of the project, which are included in the packet.

Based on carrying costs, the developer is seeking rapid pace of review through the Planning Commission and is not supportive of staff's initial recommendation for continuation to the February 7th public hearing at the Planning Commission. As such, staff is recommending approval with conditions for the Zoning Change, PUD Master Land Use Plan and Minor Subdivision and continuation of the PUD Final Plan. Staff is generally supportive of the project but feels that additional information and coordination is needed in order to fully develop the PUD ordinance and to provide a complete evaluation to share feedback with residents and board members for the compatibility issues raised to date. Staff believes the more appropriate zoning district to use as a guide is Limited Commercial coupled

with the design standards from University Mixed Use to establish the zoning ordinance framework for the Planned Unit Development overlay, and staff intends to bring a draft ordinance to the January 3 Planning Commission meeting.

Staff is providing the most current information for the commission to review within the staff report and packet. Staff is trying to balance the following priorities:

- consistency with Go2030 Comprehensive Plan
- the Core Neighborhoods Plan
- comments from the neighborhood
- economic impacts to three businesses
- University corridor impacts
- Neighborhood amenities
- Future infrastructure needs

This is the first big project proposed since the adoption of the Core Neighborhood Plan, and it's also right on the edge of two neighborhoods. Staff is considering various design standards as it transitions between suburban and urban development patterns. This portion of the corridor is a pivotal precedent setting location to influence additional future development in the corridor. Given that there is not an adopted shared vision and what the market can bear, staff is considering the pros and cons of the project layout as proposed.

- Pros: the keeping of three existing businesses within the neighborhood, removal of blight, investment to increase market demand for a healthier economy, additional housing inventory, more housing close to job centers, and additional neighborhood amenities
- Cons: change in scale and potential impacts of traffic circulation, impact to abutting uses with transition in scale and blank façade walls on the ground floor

Staff is hopeful that the development team can continue to provide information to share ideas and creativity to approach the perceived cons. Staff believes that there can be some minor additional landscape treatments to soften the parking areas and provide amenities to neighborhood residents who would frequent the retail and for residents of the apartment to appreciate the site.

Staff Feedback to Applicant:

Staff has suggested to the developer that more work with developing clarity to specifics on the project could provide more assurances that future impacts of the project could be mitigated and therefore warrant the PUD. More information can be found on the attached letters.

- Quite a bit of discussion has occurred between staff and the applicant regarding the proposed building location on the site and its proximity to University Drive and the single family housing to the west. According to the applicant, the site layout provides continuity of the businesses during construction. Staff is evaluating the need for wider sidewalks to incorporate a shared use path, and site improvements to improve the walking and bicycle access. There are also several direct segments of GO2030 that apply in relationship to the future of University and redevelopment along this corridor.
- Additionally, understanding future traffic demands and future land use changes in review with building location and creating a more urban development for the University Corridor, staff is cognizant that this project may and likely will set the stage for future development on this corridor. More detailed information is provided later in this staff report.

Requests

Zoning Change and Planned Unit Development Overlay

As permitted by Section 20-0301(E) of the LDC, a number of different zoning standards are eligible for modification by the ordinance which establishes the PUD zoning overlay. The applicant is requesting to modify the following specific LC, Limited Commercial zoning standards:

- Allow residential use (as part of a mixed-use)
- Reduce west setback from 10 feet to 5 feet
- Reduce parking requirements for commercial and residential (parking study has been provided and is attached)
- Reduce landscaping requirements by half
- Reduce residential protection standards in terms of building height and increase overall building height to allow for a 70 foot tall building

The applicant began meeting with City staff in Spring of 2022. However several layouts and plans shifted during the incentive review and the applicant's financial review as they coordinated project details. An official complete application was received by our office in November for the January Planning Commission hearing. This date was scheduled contingent to the neighborhood feedback and staff review. A neighborhood meeting was held on December 6th, with approximately 35 members from the public attended. A summary of the comments are noted earlier in this staff report and sign-up sheet is provided as an attachment.

PUD Master Land Use Plan

Attached to this packet is the proposed Master Land Use Plan. The applicant proposed one 5-story, mixed-use building, consisting of 127 residential apartment units, 15,258 square feet of commercial space, with 162 internal parking space between underground and main floor, and 114 surface level parking spaces. The master land use plan shows the building envelope, parking and circulation, and open space. The plan includes three drive-thrus (two of which are pick-up orders for call ahead), including one on the north side of the building and two that are within a pass-through located in the middle of the main floor of the building.

Plat

The plat will create one lot on the block. Preliminary comments on the plat have been shared with the applicant. Technical items that need further evaluation or to be addressed relate to existing utilities and easements within the property. A plan to reroute current utilities needs to be determined and agreed upon by the utility providers as part of the technical review of the plat. The plat will not be signed by the City Engineer or proceed to the City Commission until that is confirmed. Other easements, both existing and proposed, need further evaluation of how they exist in relation to the proposed development needs to occur. The building location conflicts with a proposed new 10 foot public utility easement that surrounds the block on the plat, as the building is proposed to be located 5 feet from the west property line. An updated plat has been provided as of December 28th, which removes existing easements from the face of the plat. According to the applicant, they are seeking to work to remove the easements. Staff will further review this and provide feedback to the applicant.

Outstanding staff review comments:

After further evaluation internally and in coordination with the Engineering Department, staff has noted concern about the following issues as they relate to development impacts. At the writing of this staff report, these items need to be more specifically evaluated and addressed through the PUD Ordinance. These items have been shared with the applicant.

- Building placement in relation to the street and abutting uses, especially addressing west building edge
- Walkability and pedestrian circulation and scale within the development, especially landscape boulevard width determination and shared use path width determination.

- A better understanding of drive-thru management and relation to pedestrian environment.
- Transportation impacts from development and the need for additional information. Staff requested a destination-origin study to understand the impacts at rush-hour.
- University Drive future corridor needs confirmation, including accommodations for bikes and pedestrians
- Signage and scale.
- West façade interface with neighborhood.

University Drive Corridor and Traffic Impact

In light of the neighborhood comments received on December 6th, the Engineering Department is in the process of more fully evaluating the proposal in relationship to the future needs of the University Drive corridor. Specifically they are looking at the future of how University would be improved upon once road or infrastructure replacement would be needed in terms of road geometry, path width and location, boulevard width and street trees. More information is needed to complete this evaluation and the Engineering Department is currently working on this. Additionally, based on questions from the neighborhood of density and traffic impacts (especially during rush hour), the Engineering Department is requesting that the applicant's traffic consultant analyze the total trips generated for the mixed-use development and put together an Origin-Destination graphic showing where the trips are expected to come from and where they are expected to go.

Infrastructure Scheduling

Reconstruction of 17th Avenue South is not currently programmed within the Capital Improvement Plan (CIP); meaning, there is no identified timeline nor funds identified for its construction. However, there is need for reconstruction of this roadway due to its condition and the Engineering Department is looking at opportunities to program reconstruction for the portion of 17th Avenue South between University Drive South and 25th Street South. City Engineering believes it will be programmed within the next few years. University Drive South is also not currently programmed or scheduled. 13 ½ Street South is also currently not programmed within the CIP.

Both University Drive and 13 ½ Street South will be programmed upon infrastructure reconstruction criteria. University Drive is a state highway, so federal funds and determinations will also govern this roadway work. 13 ½ Street South is a local road and will be funded through special assessments (capped at a fixed cost) with a remaining larger percentage city funded.

Zoning

Section 20-906. F (1-4) of the LDC stipulates the following criteria be met before a zone change can be approved:

- **Is the requested zoning change justified by a change in conditions since the previous zoning classification was established or by an error in the zoning map?**

Staff does not find that there is an error in the zoning map. The condition of the current buildings on the site are in a state that likely soon intervention will need to occur. The residential buildings were built in the 1950s and the commercial building were built primarily in the 1950s and 60s, with the exception of the north building built in 1974. The Core Neighborhoods Plan (CNP) indicates this site is appropriate for Mixed Use Neighborhood Commercial and encourages investments within the area to counter deterioration and blight.

- **Are the City and other agencies able to provide the necessary public services, facilities, and programs to serve the development allowed by the new zoning classifications at the time the property is developed?**

The subject property fronts on existing public rights of ways on all sides, which provide access and utility services. Electrical services have expressed concerns regarding exiting utilities within the block. The

developer is currently working with Xcel and Lumen. The City's utility services and demolition and capping the existing services is currently being coordinated between the developer and the City Engineering and Public Works departments. Transportation needs will be coordinated in further detail with long term right-of-way planning. Storm water requirements will be accommodated in the site plan permitting and being coordinated between the developer and the Engineering Department.

- **Will the approval of the zoning change adversely affect the condition or value of the property in the vicinity?**

Staff is considering the impact of the development on the neighborhood. At this time staff doesn't see any significant impacts, but is awaiting more information to see how the traffic destination/origin and traffic impact review is addressed. Staff is working with the City Traffic Engineer to learn more about potential impacts, who will be in attendance at the Planning Commission meeting. As noted, staff has concern for potential traffic impacts, fit within the context of the neighborhood, and walkability and pedestrian scale. Staff intends for a draft PUD overlay to be provided at the Planning Commission meeting that would outline aspects of the development and mitigate concerns.

In accordance with Section 20-0901.F of the LDC, notices of the proposed plat have been sent out to property owners within a quarter-mile of the subject property. Staff has received one inquiry since those notices; however, more comments were received with the mailing notice of the neighborhood meeting that occurred on December 6th. A summary of those comments are provided earlier in the staff report.

Currently, staff has no documentation or evidence to suggest that the approval of this zoning change would adversely affect the condition or value of the property in the vicinity and will likely positively encourage other development activities within the University Drive corridor. Staff is working with the City Assessor to learn more about impacts to property value due to adjacent development, and the City Assessor plans to be in attendance at the January Planning Commission meeting.

- **Is the proposed amendment consistent with the purpose of this LDC, the Growth Plan, and other adopted policies of the City?**

The LDC states "This Land Development Code is intended to implement Fargo's Comprehensive Plan and related policies in a manner that protects the health, safety, and general welfare of the citizens of Fargo." Go2030 indicates and supports Walkable Mixed Use Centers, which mentions "improving the aesthetics of the public realm and implementing bicycle and pedestrian improvements. This calls for providing shared parking and reducing the impact of surface lots. The interface between the single family housing to the west of this project should be mitigated with increased landscaping and design considerations on the building façade.

The PUD and redevelopment of the block requires the reimagining of the future right-of-way and boulevard treatments of the surrounding public roads. The PUD ordinance and the Plat's Amenities Plan will seek confirmation of landscape treatment in the boulevard in addition to widened shared use path on University Boulevard to improve bicycle and pedestrian facilities.

Master Land Use Plan

The LDC stipulates that the Planning Commission and Board of City Commissioners shall consider the following criteria in the review of any Master Land Use Plan:

- **The plan represents an improvement over what could have been accomplished through strict application of otherwise applicable base zoning district standards, based on the purpose and intent of this Land Development Code;**

When reviewing the totality of the PUD zoning ordinance request, staff is overall supportive of the project, however, more details need to be determined. Additionally, there are aspects that staff is not supportive of. For instance, the developer is seeking a reduction in landscape standard points. Staff recommends doubling the landscape standards and to allow for flexibility from requirements in terms of placement and removing limitations of some plants. Additional elements regarding zoning ordinance overlay components are yet to be fully determined at the writing of this staff report, and staff plans to provide a draft ordinance at the Planning Commission meeting. The height and mixed-use components would not be allowed by right.

The overall proposal in terms of mix of uses is beneficial and a type of project that is desired to promote the City's long range plans.

- **The PUD Master Land Use Plan complies with the PUD standards of Section 20-0302;**
Section 20-0302 PUD, Planned Unit Development notes, in part, that the PUD district permits greater flexibility of land planning and site design than conventional zoning districts that would also result in a greater benefit to the City than would otherwise be allowed. Staff is reviewing the request for flexibility by the applicant (allow residential use, reduce setback, increase height, reduce plantings, reduce parking requirements) and evaluating against aspects that would be a greater benefit to the City, which include investment and redevelopment, allowing existing businesses to stay, providing more housing opportunities (which, based on information coming from the current Housing Study, finds that all types of housing are needed throughout the Metro), and the opportunity to create a pedestrian friendly destination within the neighborhood.
- **The City and other agencies will be able to provide necessary public services, facilities, and programs to serve the development proposed, at the time the property is developed;**
The subject property fronts on existing public rights of ways on all sides, which provide access and utility services. Details of the services provided will be accommodated through the platting process and site plan process.
- **The development is consistent with and implements the planning goals and objectives contained in the Area Plan, Comprehensive Plan and other adopted policy documents;**
The Lewis & Clark Future Land Use Plan of the Core Neighborhood Plan contemplates mixed-use development for this block, which is the type of development the applicant proposes.
- **The PUD Master Land Use Plan is consistent with sound planning practice and the development will promote the general welfare of the community.**
At this time, staff does not believe the project will negatively impact the community. The project invests in the neighborhood and aims to keep existing businesses that anchor the neighborhood, which is important to the neighborhood's identity. More people living in the area with additional housing choices is also beneficial.

Minor Subdivision

The LDC stipulates that the following criteria is met before a minor plat can be approved:

- **Section 20-0907.B.3 of the LDC stipulates that the Planning Commission recommend approval or denial of the application, based on whether it complies with the adopted Area Plan, the standards of Article 20-06 and all other applicable requirements of the Land Development Code. Section 20-0907.B.4 of the LDC further stipulates that a Minor Subdivision Plat shall not be approved unless it is located in a zoning district that allows the proposed development and complies with the adopted Area Plan, the standards of Article 20-06 and all other applicable requirements of the Land Development Code.**

The replat would plat the existing lots originally platted in 1881 into one lot and one block. Part of the application is a request to rezone the property from SR-2, SR-3 and LC to LC with a PUD Overlay to accommodate the proposed mixed-use development. The Lewis & Clark Future Land Use Plan contemplates mixed-use development for this block. Existing utilities are located within the property, and the developer must work with the utility providers on a plan to reroute the utilities, which must occur prior to the City Engineer signing the plat and it proceeding to the City Commission. An updated plat has been provided as of December 28th, which removes existing easements from the face of the plat. According to the applicant, they are seeking to work to remove the easements. Staff will further review this and provide feedback to the applicant as the plan moves forward.

Additionally, staff received correspondence from the North Dakota Department of Transportation local

office, noting the need to keep highway rights-of-way free of encroachment, and that future development should not use public right-of-way except for sidewalks, landscaping or signage related to highway or streets. Prior to receiving this correspondence, staff noted to the applicant the need to remove all existing encroachments into the right-of-way as part of the redevelopment.

In accordance with Section 20-0901.F of the LDC, notices of the proposed plat have been sent out to property owners within a quarter-mile of the subject property. Staff has received one inquiry since those notices; however, more comments were received with the mailing notice of the neighborhood meeting that occurred on December 6th. A summary of those comments are provided earlier in the staff report.

- **Section 20-907.C.4.f of the LDC stipulates that in taking action on a Final Plat, the Board of City Commissioners shall specify the terms for securing installation of public improvements to serve the subdivision.**

While this section of the LDC specifically addresses only major subdivision plats, staff believes it is important to note that any improvements associated with the project (both existing and proposed) are subject to special assessments. Special assessments associated with the costs of the public infrastructure improvements are proposed to be spread by the front footage basis and storm sewer by the square footage basis as is typical with the City of Fargo assessment principles. The redevelopment of the site also requires on-site storm sewer improvements that will be addressed with below ground storage. This will be reviewed in the site plan review process.

Update 2/16/2023: At the January 3rd Planning Commission meeting, the commission recommended approval of the zoning change, PUD master land use plan and minor subdivision, with the conditions prior to moving forward to the City Commission: Confirming the PUD ordinance and updating the master land use plan as applicable; City traffic engineer to review and concur with additional information regarding trip generation; City engineer approval of resolution of private utility issues; and confirmation of the amenities plan. The first two items have been addressed (see additional information below) and staff continues to work with the applicant on the other two items. The City Engineer determined that this could move forward to the City Commission with contingencies based on resolution of those two items.

After publication of the Planning Commission staff report and prior to the Planning Commission, the City traffic engineering reviewed and concurred with additional information regarding trip generation.

Since the Planning Commission meeting, staff and the applicant worked together on finalizing the PUD ordinance. Changes to the ordinance from the Planning Commission meeting include:

- Removal of planting requirements to follow Land Development Code due to the scale of site;
- Reduced the maximum overall building height from 70 feet to 65 feet with exceptions to elevators, stair towers and similar, which cannot exceed 75 feet;
- Clarified that within the interior cut through of building, it is limited to one vehicular pick-up winder on the north side of the cut through and one drive-thru on the south side of the cut through;
- Limited the freestanding sign to a monument sign and increased maximum height from 12 feet to 20 feet.

For notification of the City Commission public hearing item, staff sent notice letters to the required 300 foot boundary, and also sent email notification to the Neighborhood Coalition, those who emailed a public comment previously, and neighborhood contacts within the Lewis & Clark and Clara Barton neighborhoods. Since the Planning Commission meeting and notifications, staff received several additional comments, which are included in the packet.

Note on contingent approval: The suggested motion below states that approval is contingent on resolution of private utility issues and confirmation of the amenities plan. The contingent motion below allows the City Commission to approve the plat at this time. Once these items have been sufficiently addressed and the City Engineer has signed the plat, then the City can then proceed with recording the plat, if approval is received as referenced below. The contingent approval applies only to the subdivision plat.

Staff Recommendation:

Suggested Motion: "To accept the findings and recommendations of the Planning Commission and staff and hereby waive the requirement to receive the rezoning Ordinance on week prior to the first reading and place the rezoning Ordinance on for first reading and approve the proposed 1) Zoning Change from SR-2, SR-3, and LC, Limited Commercial to LC, Limited Commercial with a Planned Unit Development Overlay, 2) PUD Master Land Use Plan, and 3) Minor Subdivision (**Duane's Pizza Addition**) as outlined in the staff report, as the proposal complies with the Go2030 Fargo Comprehensive Plan, the Core Neighborhoods Plan, Standards of Article 20-06, Section 20-0906.F(1-4), and Section 20-0908.B(7) of the LDC, and all other applicable requirements of the LDC, with the following contingencies:

- Resolution of private utility issues prior to recordation of the plat, subject to City Engineer approval
- Confirmation of amenities plan for subdivision prior to recordation of the plat, to be confirmed by Planning and Engineering Department staff

Planning Commission Recommendation: January 3rd, 2023

At the January 3rd Planning Commission meeting, by a vote of 8-0 with one Commissioner absent and two Commission seats vacant, the Planning Commission moved to accept the findings and recommendations of staff and recommended approval to the City Commission of the proposed 1) Zoning Change from SR-2, SR-3, and LC, Limited Commercial to LC, Limited Commercial with a Planned Unit Development Overlay, 2) PUD Master Land Use Plan, and 3) Minor Subdivision (**Duane's Pizza Addition**) as outlined in the staff report, as the proposal complies with the Go2030 Fargo Comprehensive Plan, the Core Neighborhoods Plan, Standards of Article 20-06, Section 20-0906.F(1-4), and Section 20-0908.B(7) of the LDC, and all other applicable requirements of the LDC, with the following conditions:

- Confirmation of PUD ordinance and updated Master Plan as applicable prior to moving forward to City Commission
- Additional information provided by applicant regarding traffic to analyze trip generation, to be reviewed by and subject to approval by City Traffic Engineer
- Resolution of private utility issues prior to moving forward to City Commission, subject to City Engineer approval
- Confirmation of amenities plan for subdivision to be confirmed by Planning and Engineering Department staff.

Attachments:

1. Zoning Map
2. Location Map
3. PUD Narrative
4. PUD Master Land Use Plan
5. PUD Renderings
6. Preliminary Plat
7. Amenities plan
8. Correspondence letters from staff to applicant
9. Parking Study
10. Informational handout (frequently asked questions)
11. Sign-in sheet for December 6th Open House and comment received
12. Public comments received

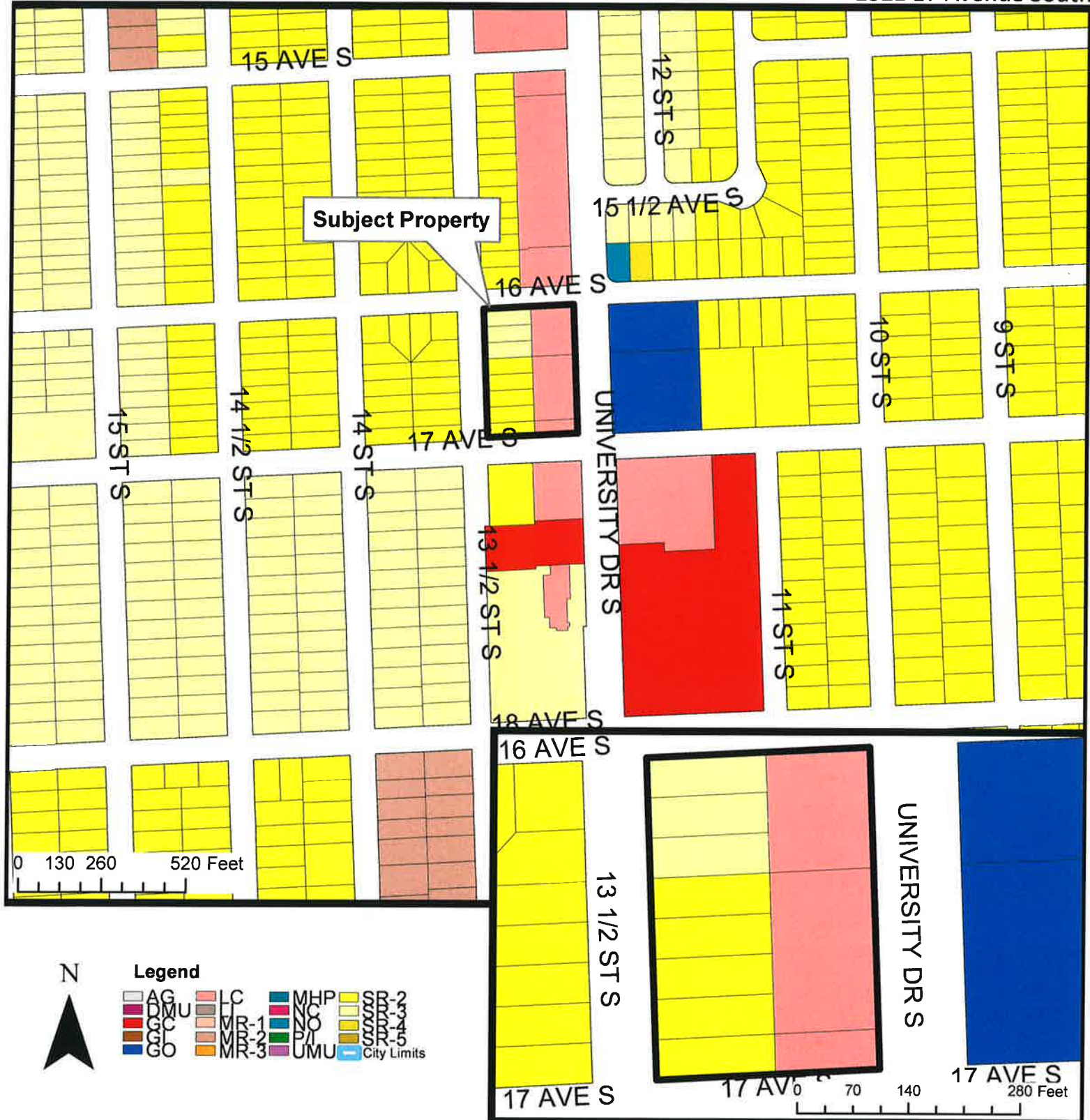
Page 16
Minor Subdivision, Zone Change (SR-2, SR-3 and LC to LC with Planned Unit Development (PUD), PUD, Overlay; PUD, Master Land Use Plan and Final Plan

1601, 1605, 1615, 1617, 1619, 1621, 1623, 1627 & 1629 University Drive South

1602, 1606, 1610, 1614, 1618, 1622 & 1626 13 1/2 Street South

Duane's Pizza Addition

1321 17 Avenue South



Minor Subdivision, Zone Change (SR-2, SR-3 and LC to LC with Planned Unit Development (PUD), PUD Overlay; PUD, Master Land Use Plan and Final Plan

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1601, 1605, 1615, 1617, 1619, 1621, 1623, 1627 & 1629 University Drive South
1602, 1606, 1610, 1614, 1618, 1622 & 1626 13 1/2 Street South
1321 17 Avenue South

Duane's Pizza Addition





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C

PROJECT LOCATION

BLOC is located on a major corridor from Interstate to Downtown and blocks from Lindenwood Park, the BLOC project will consist of 127 units, 15,258 sq ft of commercial, 162 garage parking stalls and 114 surface parking spaces.

HIGHLIGHTED AMENITIES

9 foot ceilings
roof top patio
dog wash

SUPPORTING DOCUMENTS

SEE ATTACHED

PUD
Civil Plan
Architectural Plan
Traffic Study

PROJECT DETAILS

BLOC will be a safe, pet friendly community offering studios, one and two bedroom apartment homes. The units will include stainless steel appliances, washer & dryer in-units, high quality finishes, and free internet. The property will have heated underground and main level heated parking, community space, rooftop patio and outdoor grilling area.

The largest impact by this project are the removal of an entire city block of blight and disrepair and in doing so we bring back the safety of the area all while retaining three current tenants that are important to the identity and character of the neighborhood.

CONSTRUCTION IS EXPECTED TO START SPRING OF 2023.



Perspective from developer



Perspective from developer



RETAIL WALK SOUTHEAST

Perspective from developer



Perspective from developer

DRAFT Site Amenities Plan

Duane's Pizza Addition

January 13, 2023

Location

The property is located in the southeast quarter of Section 13 Township 139N, Range 49W. The land is bordered by 16th Avenue South on the north side, 17th Avenue South on the south side, and 13 /12 Street South on the west side, and University Drive South on the east side, and is the 1600 block of University Drive South on the west side. The property encompasses an area of 2.75 acres and shall be zoned LC, Limited Commercial with a PUD, Planned Unit Development Overlay.

Project

This project is a redevelopment, consisting of demolition of existing single family, strip retail and parking, and new construction of 5-story mixed-use development, with underground parking, main floor commercial and interior parking, and 127 residential units on floors 2-5. In order to proceed, the project will need to have an approved replat, zoning change, master land use plan and final plan (as part of the PUD).

Right of Way (ROW)

The proposed plat does not include dedication for public roadways, however, below anticipates the roadway considerations at the time of redevelopment. The roadways noted are the portions directly adjacent to the subject property.

University Drive South: This section is an arterial roadway pursuant to §20.0702.

- 10' shared use path shall be installed on the west side of the boulevard as part of the redevelopment project.
- Parking is not permitted on either side of the street.
- Reconstruction or maintenance of roadway will be determined by the Engineering Department's policies and procedures.

13 ½ Street South: This section is a local roadway pursuant to §20.0702.

- Parking is permitted on both sides of the street, with winter restrictions to parking to only allow parking on the west side.
- Parking restrictions to allow parking year-round on the east side only will be explored by the Engineering Department and based on the resulting development and recognition of unforeseen impacts.
- Reconstruction or maintenance of roadway will be determined by the Engineering Department's policies and procedures.
- Any necessary reconstruction or maintenance will be paid by the developer for their portion. Assessments for the residences will be capped per policy.

16 Avenue South: This section is a local roadway pursuant to §20.0702.

- Parking is permitted on the south side of the street. No parking is permitted on the north side of the street. This parking is anticipated to remain unchanged upon redevelopment of the project.
- Reconstruction or maintenance of roadway will be determined by the Engineering Department's policies and procedures.
- Any necessary reconstruction or maintenance will be paid by the developer for their portion. Assessments for the residences will be capped per policy.

17 Avenue South: This section is a collector roadway pursuant to §20.0702.

- Parking is not permitted on either side of the street and will continue to be restricted upon redevelopment.
- Upon reconstruction of the roadway, it is currently anticipated an 8-10 foot shared use path will be constructed on the south side of the street.
- Reconstruction or maintenance of roadway will be determined by the Engineering Department's policies and procedures. It is estimated this project will be included within an approved CIP plan by 2028.
- Any necessary reconstruction or maintenance will be paid by the developer for their portion. Assessments for the residences will be capped per policy.

Utilities

Sanitary Sewer is located in 13 ½ Street South and University Drive South; Storm sewer is located in 13 ½ Street South and University Drive South, and potable water mains are located 13 ½ Street South, 17th Avenue South and University Drive South. Any new utilities are to be constructed by the City of Fargo and will be assessed per the City of Fargo infrastructure funding policy. All existing water and sewer services within the plat boundary must be terminated (per city ordinance) prior to issuance of a Certificate of Occupancy.

Stormwater Management

Stormwater Management to meet the City of Fargo Retention and Release rates will be the responsibility of the individual lot. Regional Stormwater Management will not be provided. Stormwater management will be verified at the time of building permit review procedures.

Flood Protection

The proposed platted area is not located in the FEMA Special Flood Hazard Area (SFHA). Portions of the proposed plat are located within the 41-foot Water Surface Elevation Inundation Area (WSEIA). Lots located within the WSEIA will be required to meet the City of Fargo Floodproof Construction Requirements. Flood protection design standards will comply with the City of Fargo April 2015 Floodproof Construction Requirements.

Funding of Improvements

The plat area has access to existing water, storm sewer, and sanitary sewer. Utilities installed on the individual lot will be the responsibility of the developer. Future public improvements on the east side 13 ½ will be assessed to the owner based on this redevelopment and not included in the future spread of the total project cost.

Street Trees

Street trees will be as required by Section 20-0705 of the Land Development Code and verified at the time of building permit review procedures. Developer will work with City Forester on existing street trees.

DRAFT

The amenity plan is hereby approved:

OWNER:
BLOC Partners LLC

Richard Berg, President

Date

Brenda Derrig, PE, City Engineer

Date

DRAFT

October 31, 2022

Dear Jesse,

This letter is to summarize the current status related to permitting and entitlements processes. The goal is to provide background and clarity for your project team and to share the preliminary review results based on the various emails, meetings and correspondence. Since there have been several intermittent conversations this past year, there may be some confusion amongst staff members and your project team.

History:

1. March 3, 2022 – Initial predevelopment meeting as an introduction of project. Project proposed to be built in two phases. Plans discussed from Stroh labeled as “Feasibility Study” (no date), option “C”. Density, setbacks, parking, street trees, stormwater, access into site and restriction from University Drive South was discussed, and the need the need for accurate plans that include property lines and boulevard to further evaluate. Staff noted the need for a neighborhood meeting as project progresses.
2. May, 2022 – Partial PUD application received, lacking PUD details.
3. May 20, 2022 and June 9, 2022 – emails sent from Planning Department describing entitlement processes and required materials for submittal.
4. July 21, 2022 – Predevelopment meeting and introduction of project team, Lowry Engineering and Great States Construction. Plans discussed were from Stroh dated 6/22/2022 and Lowry dated 6/8/2022. Demolition anticipated for late fall/early winter, with construction starting in the spring of 2023. Entitlement for platting, zoning and PUD was discussed with suggestions for PUD, along with access, parking, concern about drive-thrus and associated queueing and stacking, and the need for a parking and drive-thru study. Stormwater and street trees were also discussed. Staff noted the need for a neighborhood meeting as project progresses.
5. July 21, 2022 – Email sent from Planning Department referencing June 9 email stating entitlement requirements and Planned Unit Development chart template.
6. August 8, 2022 – First preliminary plat sent via email to City contacts.
7. September 19, 2022 – Meeting with Planning Department staff. Project team stated the plan was no longer to build in phases, but to build behind current structure to limit business interference during construction. Staff noted the need for updated plans, elevations, parking study, PUD chart and narrative together as one package for review and comment.
8. September 29, 2022 – PUD packet sent to Planning Department.
9. October 12, 2022 - Revised plans sent to Planning Department.
10. October 13, 2022 – Revised plans sent to Planning Department.
11. October 14, 2022 – Revised parking analysis sent to Planning Department (study submitted initially did not address the current site plan).

Beginning in February and throughout the history outlined, staff has received numerous revisions of the site plan from both Stroh and Lowry, including in February, March, twice in July, August, twice in September, and twice in October. Currently staff is working with plans dated 10/13/2022.

Status today:

The most current plans, project plans and parking analysis dated 10/13/2022 and 9/23/2022, respectively, have been shared with engineering and planning staff members. The following items have been brought forward as elements of potential issues that may conflict with policies, master plans, goals and ordinances. Please note that an official code and policy review has not been completed yet and will not be completed until the site plan and PUD application is provided that addresses comments in this letter:

1. Vehicular: There are too many driveways and drive-thrus proposed, causing circulation and safety concerns and stacking over the public sidewalk. Several driveways need more spacing per Land Development Code standards.
2. Parking and Stacking Spaces: Revised parking study with updated site plan was submitted to the Planning Department on Friday, October 14th. Planning and Engineering staff has not yet reviewed or provided comments on the study. Comments can be expected in approximately 2 weeks from today.
3. Building placement: Building should be located further east towards University Drive South. Your proposed location is counter to goals of Go2030 and the Core Neighborhoods Plan because your project is auto-oriented and not conducive to relating to pedestrian scale along west side with the neighborhood and University corridor.
4. Pedestrian environment: Pedestrians should have equal focus as vehicles. Access and safety are primary concerns, especially where conflicts between vehicles and pedestrians, such as drive-thru locations.
5. Building relationship and design: West building façade lacks a walk-able, neighborhood friendly environment, where context needs to be considered. PUDs must strive to have four-sided design, especially when located adjacent to right-of-way, which this project does on all four sides.
6. Street trees and landscaping: Our policy on street trees is that removal needs approval from the City Forester. Landscaping lacks design consideration.

Our office would like to suggest processes to help navigate and coordinate the above items:

- 1) In conjunction with neighborhood leadership, city planning staff, and you, our office schedules a neighborhood meeting to introduce project scope and use this as an introduction and listening session.
- 2) Project design team reviews and responds accordingly to resolve issues listed above and from feedback received from neighborhood meeting.
- 3) Introduce project/PUD scope and design considerations at the Planning Commission meeting. Add another neighborhood touch point if needed as a result of the first meeting.
- 4) Develop draft ordinance for the PUD.
- 5) Planning Commission application for PUD and Plat.

- a. A complete application for the PUD and Plat will need to include a master plan for any utility servicing changes, parking and traffic impacts, fire and building code review in order to ensure a smooth application for the PUD.
- b. Based on the specific project, staff recommends a master land use plan and final plan simultaneously. The final plan is essentially the permit set. This will ultimately allow for the entitlement process and permitting process be concurrent through the Planning Department; however; there will still need to be an official permit review process outside the PUD process.

Additionally, our office understands you are in process for an incentive review. We recommend holding on this process until there has been a neighborhood meeting which includes Mid Town neighborhood area (Lewis and Clark & Clara Barton neighborhoods).

To proceed, we recommend these timelines and milestones (subdivision, plat application and process would follow along with the PUD zoning timelines as appropriate):

- 1) Neighborhood meeting – Last week of November or first week of December, held in City Commission Chambers or a location for easy access by residents and neighborhood leaders. Two to three weeks will be needed to allow for adequate notice.
- 2) Plans for a new Planning Commission application (new submittal from what was previously received in May). The next application date available to you is November 21st for a January hearing.
- 3) Meanwhile, at the December 6th Planning Commission staff and your team can co-present an introduction and informational presentation, with initial review of items for consideration, assuming there are no neighborhood concerns that still remain or have not been heard.
- 4) PUD ordinance draft, utility servicing coordination, and parking and vehicular issues resolved by December 12th for January hearing and final ordinance drafted.
- 5) Public hearing at Planning Commission January 3rd, 2023.
- 6) City Commission public hearing at the potential earliest February 6th.
- 7) Site plan and building permit review submitted and review process beginning January 3rd.

We are returning the partial Planning Unit Development entitlement application with corresponding \$300 uncashed check, both dated 5/19/2022. You will receive those in the mail in shortly.

Over the course of the project, different staff members have been coordinating with you at different points, which I can understand it may be confusing. Mark Williams, Maegin Elshaug and I will continue to work closely together on this project, though Maegin Elshaug will be your primary contact moving forward and will provide assistance through the milestone deadlines.

Thank you,



Nicole B. Crutchfield, AICP, ASLA
Planning Director

cc: Jim Gilmour, Director of Strategic Planning and Research
Michael Redlinger, Interim City Administrator

December 22, 2022

Dear Jesse,

As we continue to evaluate the BLOC project, the following are comments, questions or the need for additional information, primarily as it relates to walkability, pedestrian scale, and vision for University Drive.

Site Design & Building:

When reviewing the site context and the future corridor, we are still considering the impact of the building placement in relation to the street and abutting uses. Staff does consider the aspects of keeping the existing businesses and that is an asset of the project. However, as per what was identified in the October 31th letter, we need a response to better indicate your position on the prominent vehicular focus. Additionally, below are concerns on the treatment of the following items:

- West façade and its relationship to the neighborhood (also see next point to improve façade)
- Landscaping, walkability and getting to a better pedestrian scale with site improvements. See attachment with comments.
 - Staff suggests the following as it relates to landscaping and pedestrian circulation, as well as integrating the landscaping plan as part of the PUD.
 - Double required open space plant units
 - Remove 70% placement to allow greater flexibility and to address potential neighborhood impacts
 - Remove required maximum of perennial plantings to allow greater flexibility
 - Provide vegetative buffer on north and south sides of parking lot and driveways along Avenues
 - Increase internal landscaped planting islands and push pedestrian connectivity to provide more buffer
 - Provide additional screening of patio space
 - Consider additional planting amenity or pet space on northwest corner
 - Clearly define amenities of benches, bike racks, etc. on landscape plan
- Signage on the site and inclusion in overlay requirements to bring to a pedestrian scale.
- A better understanding with how drive thrus will be managed on site, and how they relate to pedestrian environment.
- Access points on 16 Ave S – three access points are proposed; only two are permitted. Either combine the drive thru and building access, or move building access to 13 ½ Street South (similar to the south portion of internal parking).
- Provide cut sections and scale relationship to University and 13 ½ Street South as to better determine the building relationship, sidewalk and street relationships to each other.
- Provide cut section of pedestrian circulation and building arcade.



University Drive Corridor: In light of the neighborhood comments received on December 6th, the Engineering Department is in the process of more fully evaluating the proposal in relationship to the future needs of the University Drive corridor. Specifically they are looking at the future of how University would be improved upon once road or infrastructure replacement would be needed in terms of road geometry, path width and location, boulevard width and street trees. More information is needed to complete this evaluation and the Engineering Department is currently working on this.

Traffic Impact: Based on questions from the neighborhood of density and traffic impacts (especially during rush hour), the Engineering Department is requesting that your traffic consultant analyze the total trips generated for the mixed-use development and put together an Origin-Destination graphic showing where the trips are expected to come from and where they are expected to go. It does not need to be intersection levels of service calculated, but the total trips generated and where they are coming and going.

Plat comments – initial review: Attached are comments or questions related to the preliminary plat. Easements, both existing and proposed, need further evaluation of how they do or will exist in relation to the proposed development needs to occur.

Any update to plans or documents should be submitted to our office by 9 AM on December 28th for inclusion in the packet update to the January 3rd Planning Commission meeting. Note that these changes will likely not be evaluated in time for inclusion in the staff report, but staff can bring an update at the Planning Commission meeting.

At this point, with the outstanding items noted above, staff will be recommending continuation to the February 7th Planning Commission meeting in order to have more time to fully evaluate the project and impacts. If you have any questions or you and your team would like to sit down and discuss, we'd be happy to schedule a meeting.

Thank you,

A handwritten signature in blue ink, appearing to read 'Nicole B. Crutchfield', with a long horizontal flourish extending to the right.

Nicole B. Crutchfield, AICP, ASLA
Planning Director

TO: Andrew Thill, Lowry Engineering

FROM: Scott Israelson, P.E., PTOE

DATE: 23 September 2022

RE: **Parking Analysis**
16th & University Mixed-use
Fargo, ND

Introduction

The 16th & University project is a proposed mixed-use development in Fargo, North Dakota. The site is bounded by 16th Avenue S, University Drive, 17th Avenue S, and 13 1/2th Street S. The development will consist of 127 apartment units plus retail on the first floor consisting of a 2,500 SF pharmacy with drive-through window, a 2,500 SF Chinese restaurant (with pick-up window), 4,753 SF of undefined retail, a 3,500 Duane's Pizza restaurant with pick-up window, and another undefined 2,005 SF restaurant.

The development proposes 162 parking spaces for residential in underground and main floor parking, and 116 parking spaces in a surface lot for the commercial part of development for a total of 278 parking spaces.

This analysis was requested by the client to support a parking requirement waiver and to determine the appropriate queue storage length for the two drive-through uses.

ITE Parking Generation and Shared Parking Analysis

The *ITE Parking Generation Manual* is the industry standard for estimating parking demand for various land uses. Shared Parking occurs where different land uses with different peak parking periods "share" parking to reduce overall parking demand.

For Land Use #220 Multifamily Housing (Low-Rise), not close to rail transit, the average parking rate is 1.21 spaces per unit weekdays, 1.31 spaces per unit on Saturdays, and 1.66 spaces per unit on Sundays.

For Land Use #820 Shopping Center, the average parking rate is 2.61 spaces per 1,000 SF on Fridays, 2.91 spaces per 1,000 SF on Saturdays, and 1.89 spaces per unit on Sundays.

For Land Use #881 Pharmacy with Drive-Through Window, the average parking rate is 2.27 spaces per 1,000 SF weekdays, 2.07 spaces per 1,000 SF on Saturdays, and 2.25 spaces per unit on Sundays.

For Duane's Land use #930 Fast Casual Restaurant, the average rate is 9.93 parking spaces per 1,000 SF weekdays, and 8.75 parking spaces per 1,000 SF on weekends.

For the Chinese restaurant and other undefined restaurant, Land Use #931 Quality Restaurant, the average parking rate is 10.52 parking spaces per 1,000 SF weekdays, 14.84 spaces per 1,000 SF on Saturdays, and 17.00 spaces per 1,000 SF on Sundays.

Tables 1a through 1c summarizes the demand by hour by day to determine the peak demand of the overall project.

Table 1a - Shared Parking Demand - Weekdays (Fridays)											
Hour	Residential		Pharmacy		Fast Casual		Retail		Quality Restaurant		TOTAL
	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	
12 AM to 6 AM	100	154	0	0	0	0	0	0	0	0	154
7 AM	77	119	7	0	0	0	0	0	0	0	119
8 AM	56	86	24	1	0	0	32	4	0	0	92
9 AM	45	69	41	2	0	0	50	7	0	0	78
10 AM	40	62	37	2	0	0	67	9	0	0	73
11 AM	37	57	79	5	20	7	80	10	20	10	89
12 Noon	36	55	82	5	51	18	100	13	51	24	116
1 PM	36	55	93	6	56	20	98	13	56	27	120
2 PM	37	57	97	6	40	14	90	12	40	19	108
3 PM	43	66	88	5	27	9	78	10	27	13	104
4 PM	45	69	95	6	27	9	81	11	27	13	108
5 PM	55	85	100	6	39	14	86	11	39	19	134
6 PM	66	102	82	5	71	25	84	11	71	34	176
7 PM	73	112	65	4	100	35	79	10	100	48	210
8 PM	77	119	0	0	97	34	70	9	97	47	208
9 PM	86	132	0	0	0	0	0	0	0	0	132
10 PM	92	142	0	0	0	0	0	0	0	0	142
11 PM	97	149	0	0	0	0	0	0	0	0	149

Table 1b - Shared Parking Demand - Saturday

Day/Hour	Residential		Pharmacy		Fast Casual		Retail		Quality Restaurant		TOTAL
	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	
12 AM to 6 AM	100	167	0	0	0	0	0	0	0	0	167
7 AM	96	160	0	0	2	1	0	0	0	0	161
8 AM	92	154	11	1	5	2	27	4	0	0	160
9 AM	80	134	37	2	14	4	46	6	0	0	146
10 AM	78	130	63	3	17	5	67	9	0	0	148
11 AM	71	119	79	4	18	6	85	12	11	7	147
12 Noon	68	114	74	4	100	31	95	13	37	25	186
1 PM	66	110	84	4	75	23	100	14	54	36	188
2 PM	65	109	100	5	45	14	98	14	29	19	161
3 PM	68	114	58	3	31	10	92	13	22	15	154
4 PM	70	117	53	3	23	7	86	12	14	9	148
5 PM	73	122	42	2	49	15	79	11	18	12	162
6 PM	77	129	26	1	77	24	71	10	42	28	192
7 PM	81	135	42	2	69	21	69	10	91	61	229
8 PM	82	137	16	1	28	9	60	8	100	67	222
9 PM	86	144	0	0	20	6	51	7	0	0	157
10 PM	87	145	0	0	11	3	38	5	0	0	154
11 PM	92	154	0	0	0	0	0	0	0	0	154

Table 1c - Shared Parking Demand - Sunday

Day/Hour	Residential		Pharmacy		Fast Casual		Retail		Quality Restaurant		TOTAL
	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	Pct of Peak	Demand	
12 AM to 6 AM	100	211	0	0	0	0	0	0	0	0	211
7 AM	96	203	0	0	2	1	0	0	0	0	203
8 AM	92	194	15	1	5	2	15	1	0	0	198
9 AM	80	169	10	1	14	4	32	3	0	0	177
10 AM	78	165	55	3	17	5	54	5	0	0	177
11 AM	71	150	65	3	18	6	71	6	20	15	180
12 Noon	68	143	95	5	100	31	99	9	51	39	227
1 PM	66	139	90	5	75	23	100	9	56	43	219
2 PM	65	137	100	5	45	14	90	8	40	31	195
3 PM	68	143	95	5	31	10	83	7	27	21	186
4 PM	70	148	90	5	23	7	81	7	27	21	187
5 PM	73	154	85	4	49	15	84	8	39	30	211
6 PM	77	162	60	3	77	24	86	8	71	55	252
7 PM	81	171	20	1	69	21	80	7	100	77	278
8 PM	82	173	5	0	28	9	63	6	97	75	262
9 PM	86	181	0	0	20	6	42	4	0	0	191
10 PM	87	184	0	0	11	3	15	1	0	0	188
11 PM	92	194	0	0	0	0	0	0	0	0	194

Based on the shared parking analysis, the maximum parking demand occurs at 7 PM on Sundays with 278 parking spaces needed. The development proposes 278 parking spaces, which is expected to accommodate the maximum demand.

Queue Analysis

ITE's resource library contains a report that documents the maximum observed queue performed on several site studies. Table 1 below summarizes suggested queue lengths for various land uses.

Use	Maximum Observed Queue	Queue Distance Required (Based on 25 feet per queued car)
Fast-Food (hamburger)	9	225 ft.
Bank	7	175 ft.
Car Wash (self-service)	2	50 ft.
Day Care	9	225 ft.
Dry Cleaner	2	50 ft.
Drive-Through Stand-Alone Drug Store	4 (Estimated) <i>See Note below</i>	100 ft. (Estimated) <i>See Note below</i>

Adapted from the Source: James Gattis, "Queuing Areas for Drive Through Facilities, ITE Journal, May 1995.

Note: Though no known comprehensive studies exist now, drug store prescription drive-through locations should provide sufficient queue length for 4 vehicles (or 100 ft.).

The document recommends a queue storage length for four vehicles for the pharmacy with drive-through. The City allows 20 feet per vehicle for queue staking, so the pharmacy will require 80 feet for queue storage.

Duane's Pizza restaurant will offer a drive-through window for order pick up. This operates very differently than a typical fast-food restaurant so should be treated differently.

There are no site studies for a pizzeria with drive-through. In 2021, Pizza Hut opened "the Hut Lane", where customers place orders by phone, online, or app and pick up at the drive-through window. This analysis observed queue lengths at a Pizza Hut in Washington, Illinois to examine the maximum queue on their busiest hours. Table 2 below summarizes maximum observed queues:

Table 2 - Drive Through Queue - 15 mins

Time	Friday	Saturday
16:00 to 16:15	0	0
16:15 to 16:30	1	0
16:30 to 16:45	2	1
16:45 to 17:00	3	2
17:00 to 17:15	1	2
17:15 to 17:30	1	2
17:30 to 17:45	2	1
17:45 to 18:00	2	3
18:00 to 18:15	1	1
18:15 to 18:30	2	1
18:30 to 18:45	1	1
18:45 to 19:00	1	2
19:00 to 19:15	0	2
19:15 to 19:30	1	1
19:30 to 19:45	2	0
19:45 to 20:00	1	1

Based on the observation, the design should provide at least three car lengths or 60 feet for queues extending from the drive-through window at Duane's.

Conclusion

Based on shared parking analysis, the proposed 278 parking spaces is expected to accommodate the shared parking demand of 278 parking spaces.

The queue storage length for the pharmacy with drive-through should be 80 feet or four car lengths based on guidance from ITE resources. The queue storage length for Duane's Pizza drive through should be 60 feet or three car lengths based on observations from a Pizza Hut drive through.

The Chinese Restaurant will also have a pick-up window, and based on observations, that too should allow 60 feet or three car lengths for queue storage.

The ITE Parking Generation Manual sheets are not attached but available on request. Please contact me at scott@traffic-impact.com with any questions.

MIX USE BUILDING
UNIVERSITY DR
FARGO, ND

PRELIMINARY
NOT FOR
CONSTRUCTION

PROJECT DATE: 08/08/2022
PROJECT NO: 2201-1
CHECKED BY: BWS
DRAWN BY: PWB
APPROVED BY: AUT

OVERALL
SITE PLAN

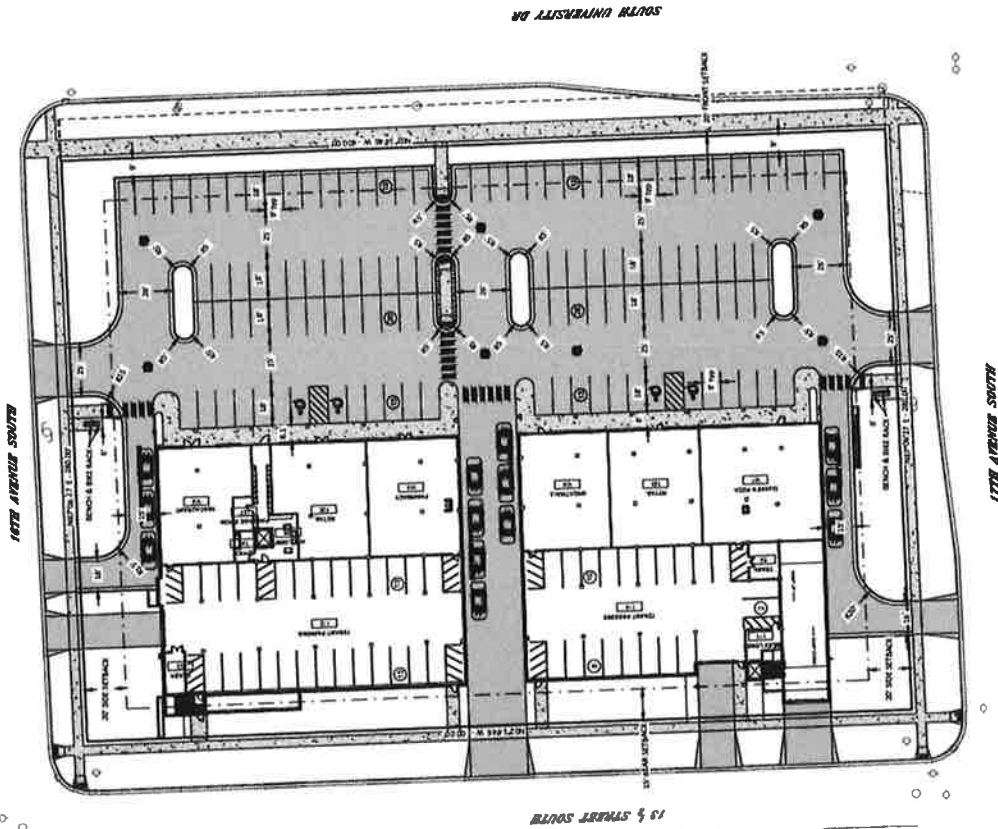
C-4

CALL BEFORE YOU DIG
NORTH DAKOTA
UTILITIES UNDERGROUND LOCATION SERVICE
1-800-795-6555



ESTIMATED SITE QUANTITIES		
ITEM	QUANTITY	UNIT

NOTES



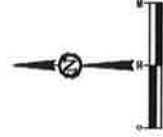
LANDSCAPING LEGEND

SYMBOL	TYPE OF PLANT MATERIAL	PLANTING SIZE	PLANT UNITS PER EACH	PLANTS EACH
	LARGE DECIDUOUS TREE	15 TO 3 INCH CALIPR - 30 FOOT MATURE HEIGHT	0	36
	SMALL DECIDUOUS TREE	15 TO 3 INCH CALIPR - 15 TO 20 FOOT MATURE HEIGHT	5	20
	MATURE SHRUB PERMANENT PLANTS	2 GALLON 1 GALLON 2 GALLON	1 0.5 1	200

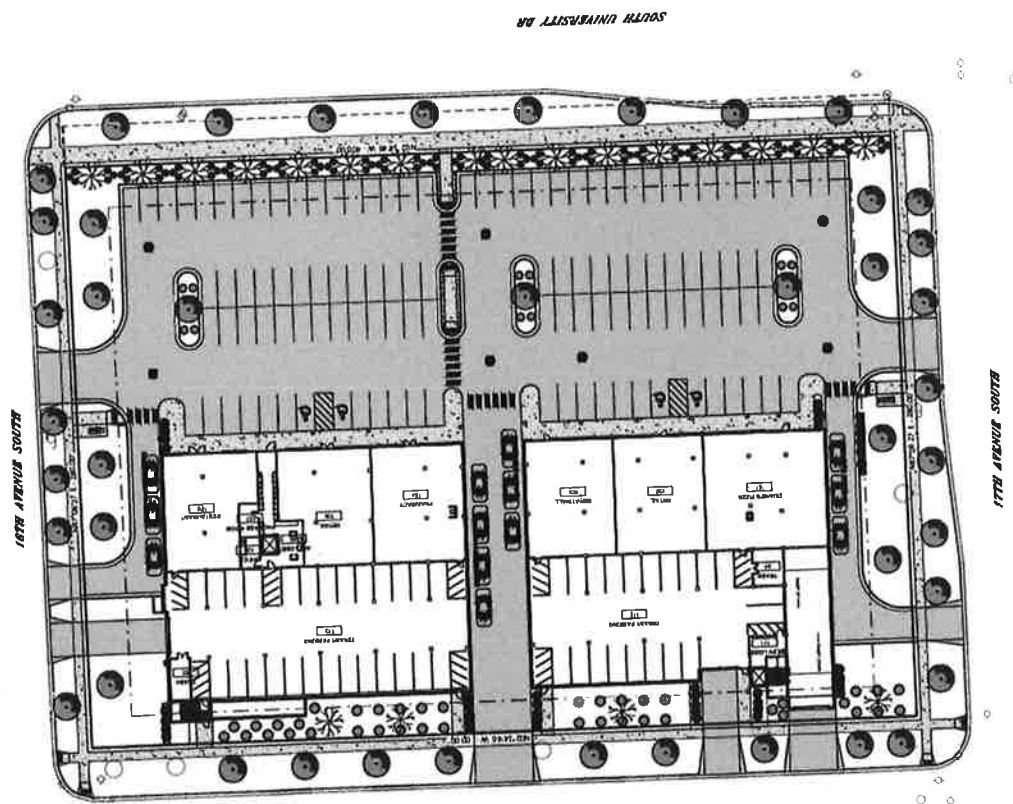
LANDSCAPING REQUIREMENTS

OPEN SPACE REQUIREMENTS	
CITY REQUIREMENTS	PROVIDED
5 PLANT UNITS PER 1,000 SF	133,992 SF / 1,000 SF = 134 PLANT UNITS
STREET TREE REQUIREMENTS	
CITY REQUIREMENTS	PROVIDED
1 TREE PER 50 LF (16' CALIPR) - 4 TREES	16TH AVE S - 16' x 4 TREES
1 TREE PER 50 LF (16' CALIPR) - 4 TREES	S. UNIVERSITY - 16' x 4 TREES
1 TREE PER 50 LF (16' CALIPR) - 4 TREES	151 ST S - 16' x 4 TREES
PARKING LOT PERIMETER LANDSCAPING REQUIREMENTS	
CITY REQUIREMENTS	PROVIDED
1 SMALL TREE + 3 SHRUBS/PERENNIAL GAZEBOS PER 25 LINEAR FEET	16 TREES 96 SHRUBS
RESIDENTIAL PROTECTION BUFFER REQUIREMENTS	
CITY REQUIREMENTS	PROVIDED
1 TREE AND 3 SHRUBS PER 50 LINEAR FEET	85 - 14 TREES 40 SHRUBS

- LANDSCAPING NOTES:
1. ALL TREES OF PLANTING SIZE SHALL HAVE A MIN. DBH OF 7" CALIPR TREES.
 2. ALL TREES SHALL BE INSTALLED AT THE TIME OF PLANTING. THE TREE SHALL NOT BE PLANTED AT THE TIME OF PLANTING. THE TREE SHALL NOT BE PLANTED AT THE TIME OF PLANTING.
 3. ALL TREES SHALL BE INSTALLED AT THE TIME OF PLANTING. THE TREE SHALL NOT BE PLANTED AT THE TIME OF PLANTING.
 4. CONTRACTOR TO COORDINATE WITH MECHANICAL REGARDING LANDSCAPING IN AND AROUND MECHANICAL ROOMS.
 5. CONTRACTOR TO ALLOW 5' CLEARANCE FROM UNDERGROUND UTILITY PIPING TO PLANTING.
 6. ALL OTHER PLANTING / LANDSCAPING REQUIREMENTS PER FRAMEWORK REQUIREMENTS.
 7. ALL TREES SHALL BE APPROVED BY CITY FORESTER.



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NORTH DAKOTA
UTILITIES UNDERGROUND LOCATION SERVICE
1-800-765-6555



TO: Interested Parties
RE: Informational Handout – BLOC project
DATE: December 29, 2022

Questions: A number of questions and comments from interested parties has been heard as part of this process. Outlined below are a few of the most common that have been submitted in various forms:

1. **What is the project being proposed?** The developer is proposing a 5-story, mixed-use building with underground parking, commercial space and internal parking on the main floor, and four floors of apartments. The project would include 127 apartments, including 33 studio, 47 one-bedroom and 47 two-bedroom, and 15, 258 square feet of commercial space. The applicant is seeking a Planned Unit Development (PUD), which is an overlay zoning district that permits greater flexibility of land planning and site design.
2. **Will my property taxes increase because of this project?** When a property is developed in an area that is already built up, the value increase typically remains with the subject property itself, without extending beyond the property lines very far. A single development would only influence the values around it if it was going to bring significant change to the area around it. For example, when a new hospital is built in an undeveloped area, the new job and housing demands can have a significant effect on the value of the surrounding property, almost immediately. This is rarely the case with small and mid-size developments.
3. **Will there be an increase in traffic volume and what will that be like?** The area is unlikely to see an increase in the business traffic on the University side of the property, but there will be an increase as a result of the residential component of the project. Typically on average, an apartment unit will generate 5 trips per day. The proposed building has 127 units, so there would be a total of 635 trips per day coming and going at that location. That number is for an entire day, and the AM and PM peak hours typically have about 10% of that number, respectively. So, from 7:15 to 8:15 AM, there will be about 63 trips from the residences, and from 5:00 to 6:00 PM, there would be around 63 trips. Those trips will primarily use 16th Avenue and 17th Avenue, and access the parking from 13 ½ Street. The average daily traffic on 17th Avenue South in that area is 3,760; on University Drive its 27,400; and a block to the south on 13 ½ Street is 1,115.

4. **Will I be responsible for special assessments because of this project?** Following the City of Fargo infrastructure policy if the complete street is reconstructed there will be an assessment associated with it which is a capped cost per front foot that follows our infrastructure funding policy. For more information about special assessments, review the links at left or contact the City of Fargo Engineering Office: Special Assessment Division by calling **701.241.1326** or [send an email](#).
5. **Is there enough parking on the property?** The project proposes 46 main floor parking spaces, 117 underground parking spaces, and 114 surface parking spaces. The project does not meet parking requirements of the Land Development Code, and the developer has provided an alternate plan for parking, which is permitted through the PUD. This plan is currently under review by City staff.
6. **Where can I review the project drawings and parking study?** Project drawings, such as the site plan, elevations plans, renderings and the parking study can be found at this website: <https://fargond.gov/city-government/boards-commissions/planning-commission/current-case-files>
7. **Is the developer requesting a tax incentive and has it been approved?** The developer has applied for Tax Increment Financing, which would go before the Economic Development Incentive Committee and the City Commission. Currently, the developer has not gone through this process or received approval of a tax incentive. For questions related to the tax incentive request for this project, contact the Department of Strategic Planning & Research at **(701) 241-1476**.
8. **How can I comment on the project?** This item is tentatively scheduled for the January 3, 2023 Planning Commission meeting, which is in the Commission Chambers of City Hall (225 4th Street North, Fargo). Comments can be sent to Planning@FargoND.Gov or shared at **(701) 241-1474**.

BLOC Project Open House – December 6, 2022

Please Print Your Name and Address on This Sheet:

NAME	ADDRESS	PHONE NUMBER
Dan Kensok	1617 13½ St. So, Fargo	[REDACTED]
JOHN GUNKELMAN	1510 7th ST. SO FGO	[REDACTED]
Rocky Schneider	1013 5th St N	[REDACTED]
JOE BURGUM	514 10th AVE	[REDACTED]
Deni Parmarta	1315 10th St S	[REDACTED]
Helen G. Galt	528 Prescott Ln, NE	[REDACTED]
[Signature]	1610 14½ St	[REDACTED]
Paul Hamre	2856 Evergreen Rd N	[REDACTED]
Quentin Bradley Jr.	1513 12th St S.	[REDACTED]
Michael Maddox	12th Street N Ste 332	[REDACTED]
Sandra Olson	1606 15 St S	[REDACTED]
Mark McAllister	1417 Sumner Dr	[REDACTED]
D. Larkin	1013 5th Ave Fargo	[REDACTED]
RACHEL ASLESON	1517 11th St S. Fgo	[REDACTED]
Melissa Tomlinson	1517 11th St S. Fargo	[REDACTED]
Kimberly Hamppan	1014 16th Ave S Fargo	[REDACTED]
Dan Ruus	1530 10th St So Fgo	[REDACTED]
Reba Mathern-Jacobson	429 16th Ave S	[REDACTED]

Comment Sheet

Open House - BLOC Project

December 6, 2022

Contact Information

Please Print

Property Owner Name: Susan BalsdonAddress of Property: 1610 14 1/2 St 80.

Mailing Address (if different than above) _____

Phone Number: _____

E-mail Address: _____

[REDACTED]@[REDACTED].com

Comments:Property TAX Incentives?Property Values of Neighborhood HomesStop lights? Will there be more?Pedestrian Traffic across Univ.Traffic Impact w/tenants: visitorsParking on 13 1/2Flow of Traffic_____

Maegin Elshaug

From: Connie Hamre <[REDACTED]>
Sent: Thursday, December 8, 2022 10:06 AM
To: Maegin Elshaug
Subject: 1600 University Drive
Attachments: 1600 University Drive.docx

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

I attended the 1600 University Drive meeting last evening. You indicated that you are the contact person for questions and that you would forward requests for information to the appropriate people and respond to us. Please provide details for the attached bullet points.

You are aware that I believe this is not the wisest project for that property. The contractor is in a hurry to tear down houses to commit the city to the project. We drove by the houses. They are not as "blighted" as he let on. A good flipper could have put them back in shape. I can understand Habitat not wanting to move them. They are small; however, one of them has a new garage. The city was negligent in not monitoring the rental property, but that seems to be what happens in Fargo.

Lack of response from residents west of the area would be expected. They are modest homes. It is likely the owners are less educated and less likely to be informed and involved in government. This project will completely disrupt their quiet neighborhood. I feel sorry for them. It is just wrong to allow that size project to occupy that space.

Jim Gilmour, Director of Strategic Planning & Research indicated he would not want this project across the street from his house. The people in this neighborhood deserve the same respect.

I look forward to a prompt response with answers to my inquiries.

Connie Hamre
Concerned Resident/Taxpayer

Maegin Elshaug

From: Connie Hamre <[REDACTED]>
Sent: Friday, December 9, 2022 10:34 AM
To: Maegin Elshaug
Subject: Fwd: 1600 University Drive

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Add this to the list.
Where will delivery trucks/semis stop?
Beer, food, etc.
There is not enough room.

----- Forwarded message -----

From: Connie Hamre <[REDACTED]>
Date: Thu, Dec 8, 2022 at 2:20 PM
Subject: 1600 University Drive
To: <melshaug@fargond.gov>

-Correction - Under landscaping the word "plan" should be "plant."

-University Drive will incur damage. Special assessments from the last improvements have not been paid off yet. The developer should be responsible for all street changes.

-The inquiry regarding parking spots relates to the current large size of vehicles, pickups, Suburbans, etc. Mark and actual spot on the street the size planned for the project and park a pickup. Is there room for another similar sized vehicle next to it and then room to get out of the vehicle and then back up to leave?

Connie Hamre

Received as email attachment from Connie Hamre

- **Construction**
 - Staging area location – for crane, trucks, etc.
 - Construction worker parking area
- **EPA phone number** – for issues such as mud on streets
- **Building setback details**
- **Tax Incentives** – amount requested
- **Street Replacement Cost** – as a result of heavy equipment used during construction on asphalt streets
 - 13 ½ Street estimated cost
 - 16th Avenue estimated cost
 - 17th Avenue estimated cost
- **Water Retention Plan** – during and after construction
- **Parking** – 127 units, conservative estimate 254 cars, trucks, etc. many larger sized vehicles
 - Resident Underground – number and size of spaces
 - Resident Surface – number and size of dedicated spaces
 - Resident Surface – number of shared with merchant spaces
 - 8 Merchant – number and size of dedicated spaces
 - Merchant – number of shared with resident spaces – merchants aware of sharing
 - Employee - number and size of dedicated spaces
- **Electric Charging Stations** – number
- **Traffic**
 - 13 ½ Street effect
 - Residents – Minimum 1,000 entrances/exits – each of 254 cars leaving and returning twice
 - Merchants – Indeterminate entrances/exits
 - 16th Avenue effect
 - 17th Avenue effect
- **Snow removal plan**
 - Merchant parking - night
 - Resident ground level – night – alternative parking
- **Landscaping**
 - Variance from Fargo regulations
 - Number of budgeted plant units
- **Traffic increase** – Plan for safety of current neighborhood residents and their children
- **Disruption on 17th Avenue** – During reconstruction of 17th Avenue in two years with thousands of entrances and exits due to project
- **Delivery Truck Access**-Plan for delivery of products
- **Response from Fargo Employee**-Jim Gilmour, Director of Strategic Planning and Research indicated that he would not want this project across the street from his home

Maegin Elshaug

From: Luke Morman
Sent: Tuesday, December 6, 2022 12:16 PM
To: Maegin Elshaug
Subject: FW: 1600 block

Hey Maegin,

Ralph has been trying to reach out to Brad about Jessie Craig redevelopment. He left me a voicemail a little bit ago as well so I forwarded that to you. Would you be able to respond to him?

Thanks,

Luke Morman

Planner | Department of Planning & Development
City of Fargo | 225 4th St N | Fargo, ND 58102
LMorman@FargoND.gov | (701) 476-6751

From: ralph solhjem [REDACTED] >
Sent: Tuesday, December 6, 2022 11:40 AM
To: Luke Morman <LMorman@FargoND.gov>
Subject: 1600 block

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Hi Luke,

I have owned a house at 1721 13 ½ street for the past 20 years. 13 ½ str has been overwhelmed by medical personnel parking on the 1700 block. Now I am concerned that this project will add to this problem by overnight parking as well. About 5 years ago a few of the owners brought the concern to the city with no avail.

I am requesting that the city consider limiting parking on the 1700 block to residence only and that it will be a part of the 1600 block process. Let's work together to keep 13 ½ street a safe place.

Thanks
Ralph Solhjem
[REDACTED]

Sent from [Mail](#) for Windows

Maegin Elshaug

From: Howard D Fulks [REDACTED] >
Sent: Sunday, December 11, 2022 12:44 PM
To: Maegin Elshaug
Subject: Fw: South Fargo Development

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Sorry, I misspelled your email address. I know someone with the name "Ishaug" instead of "Elshaug".
Please forgive me,
Howard

From: Howard D Fulks [REDACTED]
Sent: Sunday, December 11, 2022 12:41 PM
To: meishaug@fargond.gov <meishaug@fargond.gov>; bgarcia@fargond.gov <bgarcia@fargond.gov>; Kathy Fulks [REDACTED]
Subject: South Fargo Development

City of Fargo Planning and Development
Maegin Ishaug
Brad Garcia

Thank you for the opportunity to share our feedback with you on the proposed property on South University Drive. We are concerned about apartments being added to the 1600 block.

Drivers on South University are already treating this street as if it were an interstate. Pedestrians attempting to get to and from the hospital have frequent near-misses with high-speed traffic, even in the crosswalks. Today, crossing University is very unpleasant, as is walking alongside on the sidewalk when we try to make a trip to Hornbacher's for a few groceries. Your Lewis & Clark neighborhood document calls out the danger of pedestrian traffic. What is the plan to repair this problem? The traffic noise on University will be a very large negative for people who may want to live in the new development.

Adding a large number of residents will make the area even more congested and noisy. Last year the hospital expanded to our backyard and added even more traffic to the area. The apartments will not be beneficial to those of us already living here if the development doesn't solve the issues facing the neighborhood.

Thanks for listening to our concerns,
Kathy and Howard Fulks

Maegin Elshaug

From: Linda Froysland [REDACTED]
Sent: Monday, November 28, 2022 8:36 PM
To: Maegin Elshaug
Subject: Dear Property Owner

Follow Up Flag: Follow up
Flag Status: Flagged

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As long as none of us homeowners near the 1600 block of south university drive have to pay any money for work being done by this project, including future specials, than I am okay with whatever they do there.
Can you guarantee that us home owners will never pay any money for work that is being done for this project??
Because we are not benefiting financially for this business venture, and any cost for the business venture should only be paid by the investors and the city of Fargo, not the home owners.

Frank Froysland
1618 14 1/2 st so,
Fargo,ND

Maegin Elshaug

From: Joe Burgum [REDACTED]
Sent: Wednesday, November 30, 2022 10:37 AM
To: Maegin Elshaug
Cc: Brad Garcia
Subject: Re: Invitation to open house for proposed mixed-use project on University Dr S

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Thanks for the notice - I plan to stop by - excited to see some infill projects outside of downtown.

- Joe

On Wed, Nov 30, 2022 at 10:22 AM Maegin Elshaug <MElshaug@fargond.gov> wrote:

Hello,

You are receiving this email because you've been involved in previous or current neighborhood coordination.

This email invites you and other interested residents and property owners to attend an open house for a proposed mixed-use redevelopment project at the 1600 block of University Drive South. As a preliminary step in the process, an open house will be held to introduce the proposed project and receive questions and comments from the public. The open house will be held on the evening of Tuesday December 6, 2022 from 5:00-6:30 in Sky Commons (Civic Center).

Additionally, there will be an introduction of this project at the December 6, 2022 Planning Commission meeting, which begins at 3:00 in the Commission Chambers of City Hall.

If you have any questions, please don't hesitate to let me know.

Regards,

Maegin Elshaug

Maegin Elshaug

From: kemppanion <[REDACTED]>com>
Sent: Tuesday, January 3, 2023 1:43 PM
To: Maegin Elshaug
Subject: Block 28/Duane's Pizza Addition Changes

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Maegin,

I am writing with some concerns about the planned mixed use building proposed for the 1600 Block of University Drive S.

After the public open house and reviewing the material online I have the following concerns:

- 1) Both The Medicine Shop and Great Wall expressed concerns about the new proposal causing them to close or relocate for the year of planned development. From what I understood, they can not be for the planned year for development and will have to relocate and will not return or close permanently. Even if the spots planned for these businesses are filled with new businesses I do not want to see two established and respected business leave our neighborhood.
- 2) There has been no mention of what will happen with the other businesses in the stipmall. There is a comic book store that I believe would not be able to wait for the new building and would have to close. What types of conversations have taken place to help these smaller businesses that might be put out of business to make way for this more expensive mixed use building?
- 3) I work downtown and understand the need of the mix use buildings in that location. However, I do not want to see this neighborhood become downtown. Having close access to a grocery store, vets office, urgent care, restaurants and other small businesses without the dense population of downtown was one of the reasons we chose to buy a house where we did.
- 4) The developer mentioned catering to traveling nurses and young professionals. As an NDSU graduate I experienced first hand the issues with affordable housing in the area. We have seen a large number of these mix use buildings with high rents go up in the downtown area and I think we need more safe and affordable housing than another building that caters to the same group of people.
- 5) Even though this seemed to be the main concern at the open house, I to am concerned with the traffic. It is nearly impossible to get across or make a left turn onto University at 16th Ave as it is. Additionally, the traffic on 17th Ave will cause more backups into the pedestrian crossing at the clinic. Before this building is approved I would like to see what the city plans for better and safer traffic control for this area.
- 6) The property company gave the impression that this is a done deal, I refer to his comment about not taking action on plans he does not feel are good investments and already buying and tearing down houses.

Based on a poll conducted by the Pew Research Center, in 2015, 47% of "Ordinary Citizens" feel there is "Not much they can do to influence govt". If this plan goes ahead without the concerns I heard at the open house being addressed I fear this will only negatively impact how people feel about our local government.

<https://www.pewresearch.org/politics/2015/11/23/8-perceptions-of-the-publics-voice-in-government-and-politics/>,

I apologize that I have not had a chance to do more research and get more firm references to support my concerns. However, I wanted to get something sent prior to the meeting today at 3PM. Please let me know if you feel getting city wide numbers provided for a future date will help.

Thank you,

Kimberly Kemppanion

Maegin Elshaug

From: Kathy Fulks [REDACTED] com>
Sent: Wednesday, January 4, 2023 6:13 AM
To: Maegin Elshaug
Subject: University zoning

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Maegin,

Thank you for inviting me to the public hearing concerning the rezoning of South University. I had hoped to make the meeting but as a teacher was not able to find a sub so I could attend. My husband and I sent an earlier email expressing our concerns. They have not changed. Please take them into consideration while making your decision.

Thank you,

Kathleen Fulks

1719 10th St. S

Fargo, ND 58103

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Maegin Elshaug

From: James Gilmour
Sent: Tuesday, February 7, 2023 11:16 AM
To: Jesse Cloos
Cc: Maegin Elshaug
Subject: RE: 1619 13th 1/2 St S

Follow Up Flag: Follow up
Flag Status: Flagged

No. That street will not be closed.

Jim Gilmour

Strategic Planning Director

THE CITY OF FARGO | STRATEGIC PLANNING & RESEARCH

Office: 701.241.1476

JGilmour@FargoND.gov

At The City of Fargo, We Work for You.

From: Jesse Cloos [REDACTED]
Sent: Tuesday, February 7, 2023 10:59 AM
To: James Gilmour <JGilmour@FargoND.gov>
Subject: 1619 13th 1/2 St S

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Good morning,

I own a property at the above address and I rent it out. I don't know if this would create an unfair opportunity but it could result in loss of income as this BLOC project takes place. Will they be shutting down 13th 1/2 street?

If you have any questions or concerns, feel free to contact me anytime via phone, text, or email!

Thank you,



Jesse Cloos

Commercial Sales ND/MN

OFFICE OF THE CITY ATTORNEY
FARGO, NORTH DAKOTA

3Aa2

ORDINANCE NO. _____

AN ORDINANCE REZONING CERTAIN PARCELS OF LAND
LYING IN DUANE'S PIZZA ADDITION
TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA

WHEREAS, the Fargo Planning Commission and the Board of City Commissioners of the City of Fargo have held hearings pursuant to published notice to consider the rezoning of certain parcels of land lying in the proposed Duane's Pizza Addition to the City of Fargo, Cass County, North Dakota; and,

WHEREAS, the Fargo Planning Commission recommended approval of the rezoning request on January 3, 2023; and,

WHEREAS, the rezoning changes were approved by the City Commission on February 21, 2023,

NOW, THEREFORE,

Be It Ordained by the Board of City Commissioners of the City of Fargo:

Section 1. The following described property:

All of Duane's Pizza Addition to the city of Fargo, Cass County, North Dakota, is hereby rezoned from "SR-2", Single-Dwelling Residential, District, "SR-3", Single-Dwelling Residential, District and "LC", Limited Commercial, District to "LC", Limited Commercial, District and to enact a "PUD", Planned Unit Development Overlay, District, as follows:

A. Allowed Uses.

In addition to the allowed uses within the "LC", Limited Commercial zoning district, residential use shall also be allowed.

B. Residential Density.

The maximum number of units is 127, which would be approximately forty-seven (47) units per acre.

OFFICE OF THE CITY ATTORNEY
FARGO, NORTH DAKOTA

ORDINANCE NO. _____

C. Parking.

There shall be a maximum of 278 parking spaces on site (up to 116 exterior and up to 162 interior).

D. Landscaping.

The parking lot buffer width on east side of property shall be eight (8) feet wide.

E. Height.

The maximum main building height for the overall development and within proximity of residentially zoned property shall be sixty-five (65) feet, with elevators, stair tower and the like, not to exceed seventy-five (75) feet.

F. Additional Standards.

1. Setback.

The west building setback shall be twelve (12) feet.

2. Building Form and Style.

- a. All walls shall be finished with architectural materials such as brick, glass, stone, ceramic, stucco, precast panels, exterior insulation finish systems (e.g., dryvit), seamless steel siding with a ceramic hybrid paint finish, fiber cement siding, or curtain walls. Building elevation materials shall be commercial grade, durable, and have a multi-generational life span.
- b. The following materials may not be used other than for purposes of providing accent: insulated metal panels; wood-based materials; asphalt; and decorated concrete block. When these materials are used, the materials must be of commercial grade. Metal panels with exposed fasteners are not permitted.
- c. The use of architectural metal panels and wood panels for enclosure of mechanical equipment shall be permitted.

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FARGO, NORTH DAKOTA

ORDINANCE NO. _____

3. Building Entrances.

The building design shall include design features to avoid monotony, to create visual interest, and to enhance the pedestrian scale all of which is to be designed to create compatibility with the surrounding neighborhood. Examples of features to be included are: arcades; cornices; eaves; bow, bay, arched, oval, or gable windows; shutters; arched entries, balconies, or breezeway entrances; stone or brick accent walls; decorative stone or brick banding; decorative tiles; verandas, porches, balconies or decks; projected walls or dormers; variation of roof lines; and decorative caps or chimneys.

4. Ground Floor Transparency.

At least twenty-five (25) percent of the ground-floor façade of buildings along public streets shall be comprised of windows, doors and other transparent elements (e.g., glass block), except the east ground-floor façade shall have forty (40) percent. Calculations shall be based on the total square foot of the elevation of the ground floor.

5. Exterior Lighting.

Buildings shall contain pedestrian scaled exterior lighting on all street-facing elevations. Said lighting shall be mounted on the first story, evenly spaced and directed in a manner that illuminates the ground plane. All bulbs shall be shielded and not directly visible.

G. Site Design.

1. Site Amenities.

- a. One area of outdoor seating for commercial use must be provided on site.
- b. Significant shared site amenity must be provided and included on the PUD Final Plan and approved by the Zoning Administrator.

2. Drive-thru and pick-up facilities.

One vehicular pick-up window is permitted on the north side of the building. Within the interior cut-through of the building, one vehicular pick-up window on the north side of the cut-through and one drive-thru on the south side of the cut

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FARGO, NORTH DAKOTA

ORDINANCE NO. _____

through is permitted. Signage for pedestrians and drivers is required. Stacking and vehicular circulation must not have negative impacts on the public streets.

3. Dumpsters, Refuse containers and Outdoor Storage.

Dumpsters, refuse containers and outdoor storage areas shall be visually screened from adjacent public right-of-way by permanent walls. Dumpsters and refuse containers shall contain permanent walls on at least three (3) sides with the service opening not directly facing any public right-of-way or residentially zoned property. The fourth side shall incorporate a metal gate to visually screen the dumpsters or refuse containers. Any permanent walls shall be constructed or clad with the same materials used for the primary building.

4. Loading Facilities.

Loading docks are not permitted.

5. Parking Lot Interior Landscaping.

A minimum of five (5) percent of the internal surface area of the parking lot shall be landscaped with plant material through the use of planter islands and peninsulas.

6. Pedestrian Circulation.

Separate vehicular and pedestrian circulation systems shall be provided. Adjacent properties may share pedestrian circulation systems that connect to public sidewalks with Zoning Administrator approval. At points of pedestrian and vehicular conflict, striping shall be required for pedestrian safety. An on-site system of pedestrian walkways shall be provided between building entrances and the following:

- a. Parking lots or parking structures that serve each primary building;
- b. Any public sidewalk or multi-use path along the perimeter of the lot;
- c. Entrances of other buildings on the site;
- d. Any sidewalks or walkways on adjacent properties that extend to the boundaries shared with the commercial development; and
- e. Adjacent pedestrian origins and destinations— including but not limited to transit stops, residential development, office buildings, and retail

OFFICE OF THE CITY ATTORNEY
FARGO, NORTH DAKOTA

ORDINANCE NO. _____

shopping buildings— where deemed practical and appropriate by the
Zoning Administrator.

H. Signage.

1. Freestanding Sign.

One (1) consolidated freestanding monument sign may be permitted, so as not to exceed twenty (20) feet in height and must meet all of the other requirements of the City of Fargo Sign Code.

2. Prohibited Signs.

- a. Portable or Temporary Signs; and
- b. Internally lighted signs, either monument or attached, directly facing 13 ½ Street South.

3. Other Signage.

All other signage not noted within this ordinance is per the City of Fargo Sign Code.

I. Prohibited Uses.

- 1. Detention facilities;
- 2. Self-service storage;
- 3. Vehicle repair;
- 4. Limited vehicle Service;
- 5. Industrial uses;
- 6. Adult establishment; and
- 7. Off-premise advertising.

Section 2. The City Auditor is hereby directed to amend the zoning map now on file in his office so as to conform with and carry out the provisions of this ordinance.

OFFICE OF THE CITY ATTORNEY
FARGO, NORTH DAKOTA

ORDINANCE NO. _____

Section 3. This ordinance shall be in full force and effect from and after its passage and approval.

(SEAL)

Attest:

Steven Sprague, City Auditor

Timothy J. Mahoney, M.D., Mayor

First Reading:
Second Reading:
Final Passage:

MEMORANDUM

346

TO: Fargo City Commission

FROM: Jim Gilmour, Director of Strategic Planning and Research 

DATE: February 14, 2023

SUBJECT: Renewal Plan for University Drive South

I drafted a Renewal Plan for the redevelopment of the west side of the 1600 block of University Drive South. The project would demolish and cleanup the site of eight vacant single family houses and four commercial buildings. The new development would be ~127 apartments, ~13,000 sf of main floor commercial space and parking.

The developer is requesting \$4.55 million in Tax Increment Financing (TIF) to demolish the buildings, site cleanup, infrastructure needs and cost of property acquisition. The estimated annual TIF income is ~\$415,000 a year and the length of the TIF district would be 15 years following the completion of the project.

City financial adviser PFM reviewed the project and stated, **"The estimated internal rate of return is appropriate given the risk level for this type of project. 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."**

A public hearing on the Renewal Plan and Developer Agreement is part of the review process. One of the purposes of the hearing is to provide potential competitors an opportunity to comment if they feel the agreement would result in unfair competition.

Recommended Motion:

Approve the Resolution adopting the Renewal Plan and a Developer Agreement with BLOC Partners, LLC to provide TIF funds for the project.

Attachments

1. Resolution
2. Renewal Plan
3. Financial "But For" Report
4. Form of Developer Agreement pending final legal review

RESOLUTION
BOARD OF CITY COMMISSIONERS OF THE
CITY OF FARGO

TAX INCREMENT FINANCING DISTRICT 2023-01

Commissioner _____ moved for approval of the following:

WHEREAS, Certain areas within the City are in need of redevelopment in order to prevent further deterioration, to encourage investment and to preserve property values; and

WHEREAS, The Board of City Commissioners desires to avail itself of the power and authority granted by Chapter 40-58 NDCC.

NOW, THEREFORE, BE IT RESOLVED, By the Board of City Commissioners as follows:

1. That one or more slum or blighted areas, or areas consisting of industrial or commercial property, or a combination of those areas of properties, exist in the City of Fargo.
2. That the development, rehabilitation, conservation or redevelopment, or a combination thereof, of the area contained within the Renewal Plan for Tax Increment Financing District No. 2023-01, is necessary in the interest of public health, safety, morals or welfare of the residents of the City of Fargo and will afford maximum opportunity, consistent with the sound needs of the city as a whole, for the rehabilitation or redevelopment of the development area by private enterprise.
3. That there are blighted areas within the area contained within the Renewal Plan with deteriorated conditions that discourage redevelopment. The Renewal Area, as defined in the Renewal Plan, is blighted due to the presence of these conditions have substantially impaired the growth of the City, and have slowed the provision of appropriate redevelopment in this area. As a result, the Board of City Commissioners finds that a blighted condition exists in the said area.
4. That the area designated as the Renewal Plan for Tax Increment Financing District No. 2023-01 is appropriate for a development project.
5. That such development, rehabilitation, conservation or redevelopment of the area contained in the Renewal Plan for Tax Increment Financing District No. 2023-01 requires the powers and authority granted in Chapter 40-58 NDCC.
6. That the Renewal Plan for Tax Increment Financing District No. 2023-01 is hereby officially adopted by the Board.

7. That a Developer Agreement be prepared in regard to the Tax Increment Financing.
8. That the appropriate staff be directed to request the County Auditor and Treasurer to compute, certify and remit tax increments resulting from the development or renewal of the area in accordance with the plan and any modifications thereof, and that the County Auditor and Treasurer shall do so in accordance with this section.

Said motion was seconded by Commissioner _____ and, upon call of the roll, the motion carried with Commissioner(s) _____ not being present, Commissioners _____ voting aye, Commissioners _____ voting nay and Commissioner(s) _____ abstaining and the motion therefore being declared carried.

RENEWAL PLAN
TAX INCREMENT FINANCING DISTRICT NO. 2023-01
CITY OF FARGO, NORTH DAKOTA
FEBRUARY 2023

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RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2023-01

Subsection 1.1. Definitions.

For the purposes of the Renewal Plan, the following terms shall have the meanings specified below, unless the context otherwise requires:

"City" means the City of Fargo, a municipal corporation under the laws of the State of North Dakota.

"City Commission" or "Commission" means the Fargo City Commission.

"Comprehensive Plan" means the City's GO 2030 Comprehensive Plan, including the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City as and when such plan is adopted and finalized.

"County" means Cass County, North Dakota.

"Development" means the construction of new buildings, structures or improvements; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures or improvements; the acquisition of equipment; and the clearing and grading of land on industrial or commercial property in the Renewal Area.

"Renewal Area" means the property described in Subsection 1.4 of this Plan.

"Renewal Plan" or "Plan" means this Plan adopted by the Commission for the Renewal Area.

"State" means the State of North Dakota.

"Tax Increment Financing Act" or "TIF Act" means North Dakota Century Code, Section 40-58-20, as amended.

"Tax Increment Bonds" means any general obligation or revenue tax increment bonds or notes issued by the City to finance the public costs associated with the TIF District as stated in this Plan, or any obligations issued to refund the Tax Increment Bonds.

"Tax Increment Financing District" or "TIF District" means Tax Increment Financing District No. 2023-01.

"Urban Renewal Law" means North Dakota Century Code, Chapter 40-58.

Subsection 1.2. Statutory Authority.

The creation of the Renewal Area and the establishment of Tax Increment Financing District No. 2023-01 are authorized by the Urban Renewal Law. Specifically the creation of the Renewal Area is authorized under North Dakota Century Code, Sections 40-58-01.1(7) and (14), which provide that the local governing body may designate industrial or commercial property, a slum or

blighted area, or combination of these properties as appropriate for a development or renewal project.

The Urban Renewal Law provides that communities develop a “workable program” for the use of public and private resources to facilitate the development of industrial or commercial properties, eliminate and prevent the development or spread of slums and urban blight, encourage needed urban rehabilitation, provide for the redevelopment of slum and blighted areas or undertake these activities or other feasible municipal activities as may be suitably employed to achieve the objectives of the workable program. North Dakota Century Code, Section 40-58-04.

Subsection 1.3. Statement of Public Purpose

In adopting the Renewal Plan for TIF District No. 2023-01, the City Commission intends to make the following findings:

- (a) The Renewal Area includes blighted properties.

Factual basis: This Renewal Area is blighted due to the presence of eight blighted and vacant single family homes, and a commercial building with some blighted conditions. This substantially impairs the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use. Photos are include in Appendix D.

- (b) The Renewal Area has eight vacant houses on the west side of the block and four commercial buildings on the east side of the block. One commercial building is vacant and another has blighted conditions.

Factual basis: The renewal area is considered blighted as described in (a) above. Blighted areas are eligible for renewal.

- (c) The Renewal Area is appropriate for a development or renewal project.

Factual basis: The renewal area was recently rezoned to allow for housing and other commercial land uses.

- (d) The houses on the block are vacant.

Factual basis: There is no occupied housing on the site because of the poor condition of the housing. The redevelopment will include new housing units.

- (e) The Plan conforms to the Comprehensive Policy Plan for the City as a whole.

Factual basis: The proposed development is consistent with the goals that are embodied in the Go2030 Comprehensive Plan. Specifically, the Fargo Go2030 Comprehensive Plan supports infill and density within areas that are already developed, serviced with utilities and protected by a flood resiliency strategy. The promotion of infill development is the number two ranked priority of Go2030.

The plan is consistent with Core Neighborhood Plan future land used plan. The land use plan identified this block as mixed use neighborhood commercial.

The proposed use of the property is consistent with zoning and may encourage additional redevelopment adjacent to the site. The proposed development will use existing infrastructure and other infrastructure can be added as needed.

Subsection 1.4. Description of Renewal Area

The Renewal Area is located on the west side of University Drive south of the downtown, on the eastern edge of the Lewis and Clark residential neighborhood. The site is approximately two and a half acres, an entire city block between 16th and 17th Avenue South. The eastern edge of the block is University Drive and the western edge is 13 ½ Street South. It is legally described in Appendix A. A map of the Renewal Area is attached as Appendix B.

The proposed project will be commercial space, parking and multi-family housing.

The redevelopment plan is attached as Appendix C.

Subsection 1.5. Land Acquisition, Development, Demolition and Removal of Structures, Redevelopment or Public Improvements

The Development of the Renewal Area includes the following activities:

Land Acquisition/Land Write Down - The cost of acquisition of the properties less the value of the land.

Building Demolition and Site Clearing – This estimate is for demolition of the buildings, parking lot and any environmental cleanup.

Public Infrastructure – The estimate is for the costs to disconnect utilities in the street and reconstruction sidewalks and vehicle approaches to the property.

Administrative/TIF Fees – Other Tax Increment costs include the administrative costs.

Subsection 1.6. Land Use Attributes – TIF District

- (a) *Zoning or Planning Changes.*
The Renewal area was recently rezoned. No additional zoning changes are required to accommodate this project.
- (b) *Maximum Densities.*
The property within the TIF District will be developed in accordance with the applicable zoning district requirements.
- (c) *Building Requirements.*

All properties within this district are subject to the provisions of the City of Fargo Building Codes and the Land Development Code.

- (d) *Plan relationship to land use objectives (land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public imps.)*

The physical improvements outlined in the plan meet critical needs required for the redevelopment of this property. The project complies with the zoning district and the redevelopment goals of the Go2030 Comprehensive Plan and the Core Neighborhood Plan.

Subsection 1.7. Estimate of Development Costs

The City anticipates development of the Renewal Area will involve certain public costs. Under North Dakota Century Code, Sections 40-58-20 and 40-58-20.1 allow the use of funds received from tax increments to be applied to certain specified costs. The City will provide for certain costs as listed below in a development agreement, and can use other funds to pay for City infrastructure. The primary costs involved in the development are land costs, demolition and site cleanup, and public works improvements.

Land Costs	\$2,300,000
Demolition and Site Cleanup	\$1,500,000
Public Infrastructure	\$700,000
Administration	\$50,000
TOTAL	\$4,550,000

These costs represent estimated costs for planning purposes, and may be different when this plan is implemented with a development agreement. The development agreement costs will be determined after a review by City financial advisers. The maximum allowed costs will be specified in the development agreement. Based on the proposed development, the present value of TIF revenue is \$3.5 to \$4.5 million over 15 years.

The City and Developer may also obtain reimbursement of interest between the time project costs are incurred and the date the Tax Increment Revenue Note is issued, such interest being capitalized and added to the foregoing costs.

Subsection 1.8. Estimate of Bonded Indebtedness

The City intends to finance certain costs of the Development through the issuance of a Tax Increment Financing Note to the Developer. In addition, the City may use general obligation bonds, special assessment warrants or refunding improvement bonds pursuant to North Dakota Century Code, Section 40-58-20 (9), and the City may specially assess all or a portion of the costs of

development and apply funds received from tax increments to payment of the special assessments and other bonds.

Subsection 1.9. Tax Increment Financing.

The County Auditor is requested to compute, certify and remit tax increments resulting from the Development within the Renewal Area.

The original assessed value of the property within the Renewal Area, as last assessed and equalized before the base year of this Plan, is ~\$2,864,800.

Each year, the County Auditor will compute the amount of tax increment generated within the Renewal Area in accordance with the TIF Act. Any year in which there is an "incremental value" as provided in the TIF Act, an increment will be payable to the City and deposited in the fund created by the County Auditor for that purpose. Any year in which there is "lost value" pursuant to the TIF Act, no increment will be payable to the City.

Subsection 1.10. Estimate of Tax Increment.

It is anticipated the Development will result in an increase in true and full value of the Renewal Area redevelopment site to \$30 million. The value of the development site within the TIF district is \$2.8 million. The increase in value will be approximately \$27.2 million. Under the mill rate in effect as of the date of this Plan, the Renewal Area will generate tax increment each year in the estimated amount of \$380,000.

Subsection 1.11. Duration of the TIF District.

The City anticipates that the TIF District will continue until all development costs are reimbursed through the receipts of tax increment, or after a maximum of 15 property tax years after completion of the project.

APPENDIX A

LEGAL DESCRIPTION OF PROPERTY

Lots 1-16, Block 28, Morton and Dotys Addition, Fargo, ND

APPENDIX B

MAP OF THE RENEWAL AREA/TIF DISTRICT



These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

Renewal Plan 2023-01

1:9,028

1/30/2023 2:02 PM

This map is not a substitute for accurate field surveys or for locating actual property lines and any adjacent features.

THE CITY OF
Fargo
FAR MORE

APPENDIX C
PLAN FOR REDEVELOPMENT



PRELIMINARY
NOT FOR
CONSTRUCTION

PROJECT

UNIVERSITY MIXED-USE
PLAN REVIEW
UNIVERSITY DR.
DESIGN DEVELOPMENT
Location:
University Dr.
Fargo, ND 58103
Drawn By:
MB
Checked:
JMB
12/27/2024 4:38:38 PM
Revision Date:

Job Number:
2022.12

Sheet Name:
MASTER PLAN

Sheet Number:
MP1.0



LOWRY
ENGINEERING
5300 51ST AVENUE SOUTH, SUITE A
FARGO, NORTH DAKOTA 58104

MIX USE BUILDING
UNIVERSITY DR
FARGO, ND

PRELIMINARY
NOT FOR
CONSTRUCTION

PROJECT #	130041
PROJECT DATE	08/06/2022
DESIGNED BY	SAL
CHECKED BY	PMB
APPROVED BY	AUT

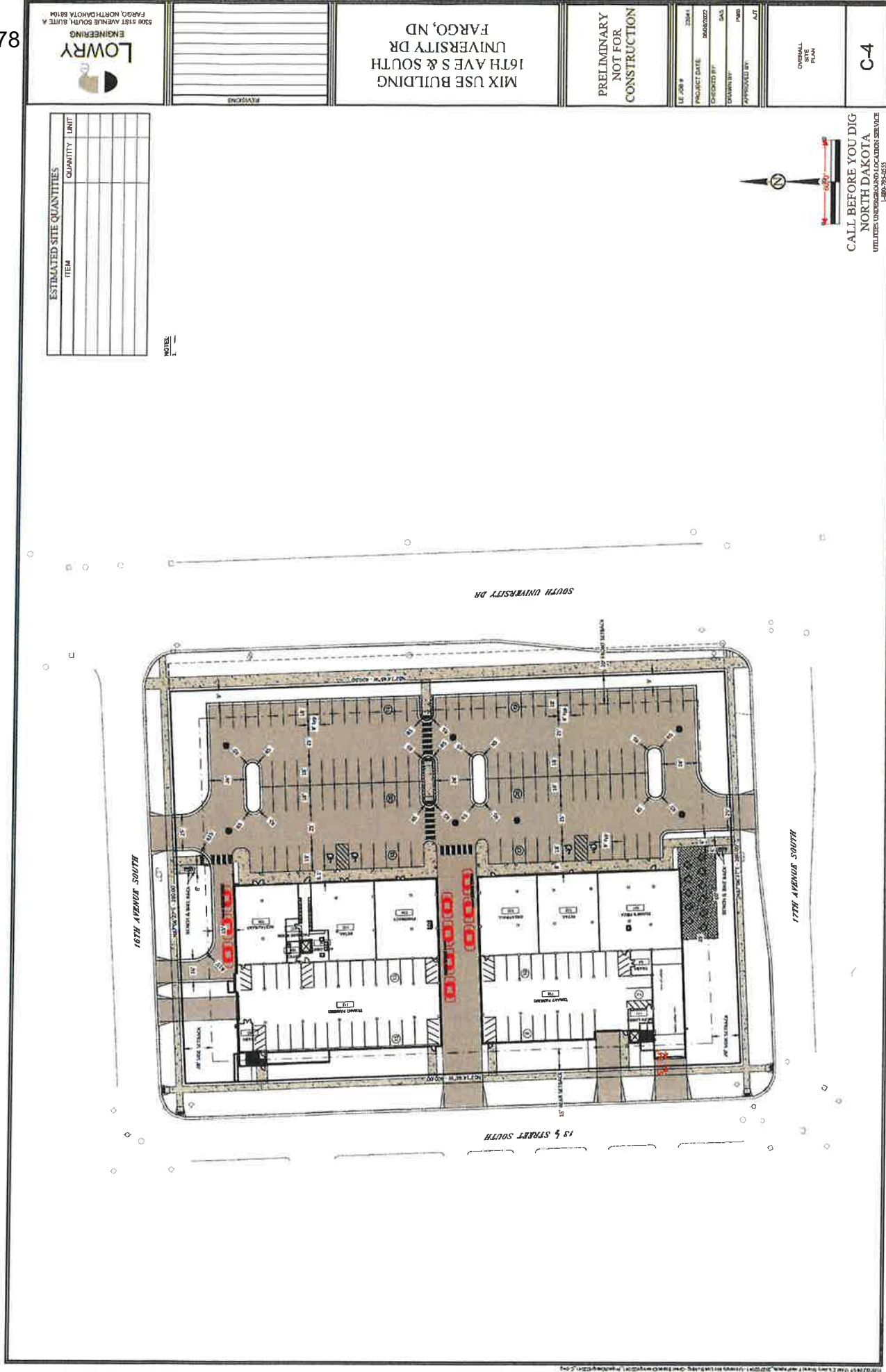
OVERALL
SITE
PLAN

C-4

ESTIMATED SITE QUANTITIES		
ITEM	QUANTITY	UNIT

NOTES
1

CALL BEFORE YOU DIG
NORTH DAKOTA
UTILITIES UNDERGROUND LOCATOR SERVICE
1-800-755-6255

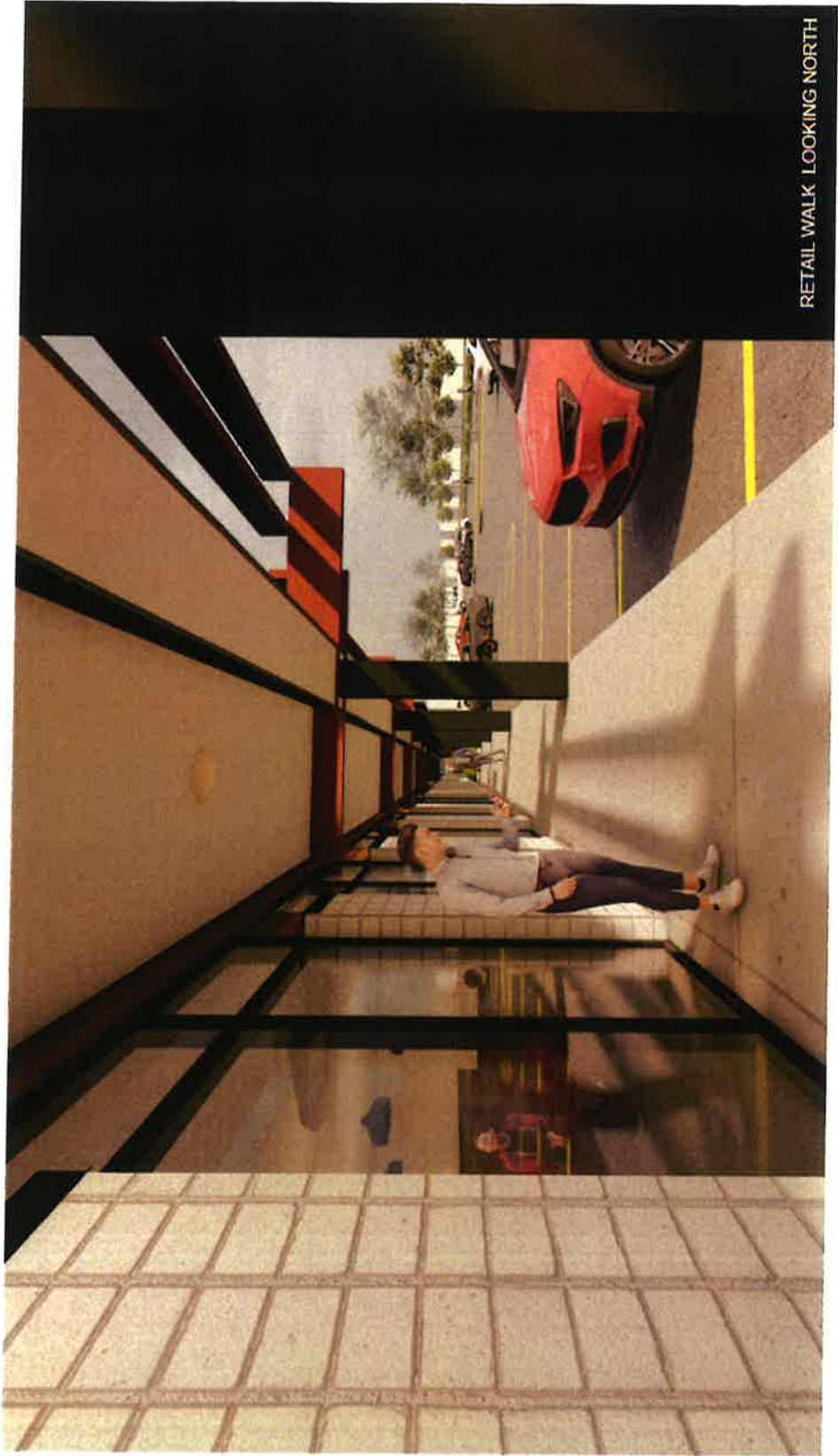




Rendering provided by developer



Rendering provided by developer



Rendering provided by developer



Rendering provided by developer

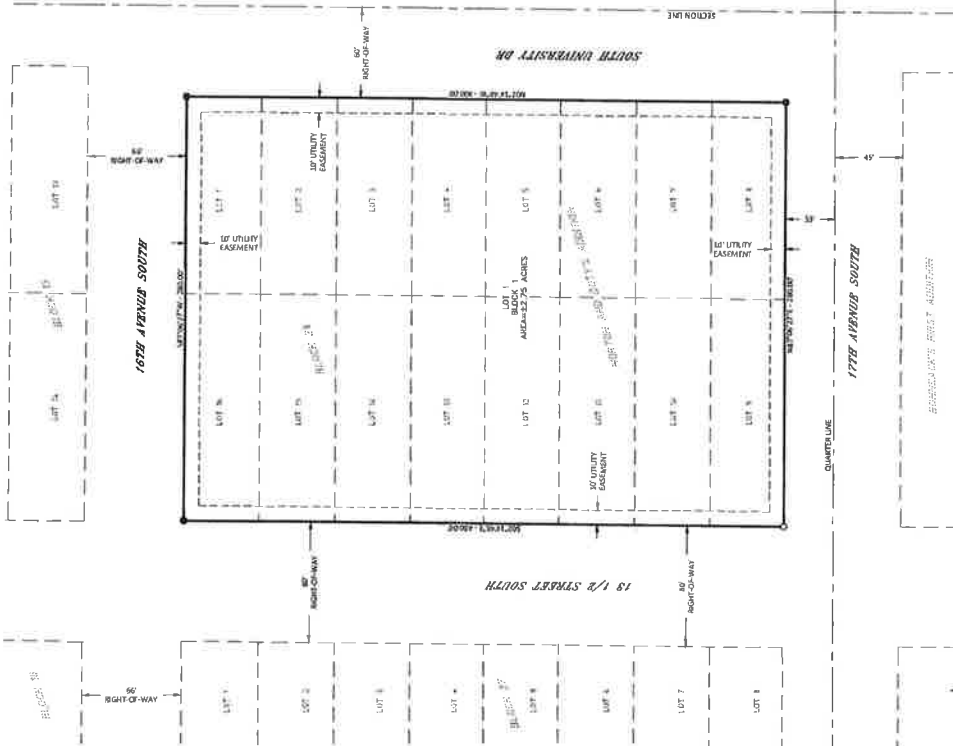


Rendering provided by developer



Rendering provided by developer

DUANE'S PIZZA ADDITION
A REPLAY OF BLOCK 28 OF MORTON AND DOTY'S ADDITION TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA
A MINOR SUBDIVISION



- LEGEND**
- MONUMENT SET
 - EX. EASEMENT
 - EX. PROPERTY LINE
 - EX. SECTION LINE
 - NEW ROW/PROPERTY LINE
 - NEW EASEMENT LINE

SURVEY INFORMATION
DATE OF SURVEY: AUGUST 2023
BASE OF BEARING: FARGO SUBDIVISION MONUMENT SYSTEM, 12/12/1892

OWNERS CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS, THAT RICHARD BERIC, PRESIDENT OF BLOCK 28, MORTON AND DOTY'S ADDITION TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA, HAS HEREBY GRANTED THE RIGHT OF FIRST REFUSAL TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA, TO PURCHASE THE ENTIRE TRACT OF LAND SHOWN ON THIS REPLAY OF BLOCK 28 OF MORTON AND DOTY'S ADDITION TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA, FOR THE PURPOSE OF REDEVELOPING THE TRACT FOR THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA, AND TO CONVEY TO THE PUBLIC, FOR PUBLIC USE, ALL STREET RIGHT OF WAY AND UTILITY EASEMENTS AND RIGHTS OF WAY, CONSISTING OF 1.107 AND 1.108 ACRES, MORE OR LESS TOGETHER WITH EASEMENTS AND RIGHTS OF WAY OF RECORD.

BY: RICHARD BERIC, PRESIDENT - BLOCK 28, MORTON AND DOTY'S ADDITION TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA
COUNTY OF CASS
ON THIS DAY OF 2023, BEFORE ME, A NOTARY PUBLIC WITHIN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED RICHARD BERIC, TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO IDENTIFIED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED THAT THEY EXECUTED SAME AS THEIR FREE ACT AND DEED.
NOTARY PUBLIC COUNTY: CASS STATE: NORTH DAKOTA
MY COMMISSION EXPIRES: 2023

MORTGAGE HOLDER:

FOR THE RECORD AND FOR THE PURPOSE OF RECORDING, I HAVE RECEIVED FROM RICHARD BERIC, PRESIDENT - BLOCK 28, MORTON AND DOTY'S ADDITION TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA, A REPLAY OF BLOCK 28 OF MORTON AND DOTY'S ADDITION TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA, FOR THE PURPOSE OF REDEVELOPING THE TRACT FOR THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA, AND TO CONVEY TO THE PUBLIC, FOR PUBLIC USE, ALL STREET RIGHT OF WAY AND UTILITY EASEMENTS AND RIGHTS OF WAY, CONSISTING OF 1.107 AND 1.108 ACRES, MORE OR LESS TOGETHER WITH EASEMENTS AND RIGHTS OF WAY OF RECORD.
COUNTY OF CASS
ON THIS DAY OF 2023, BEFORE ME, A NOTARY PUBLIC WITHIN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED RICHARD BERIC, TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO IDENTIFIED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED THAT THEY EXECUTED SAME AS THEIR FREE ACT AND DEED.
NOTARY PUBLIC COUNTY: CASS STATE: NORTH DAKOTA
MY COMMISSION EXPIRES: 2023

SURVEYORS CERTIFICATE

I, COLA A. WELT, REGISTERED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF NORTH DAKOTA, DO HEREBY CERTIFY THAT I HAVE PERSONALLY EXAMINED THE INSTRUMENT AND THE REPLAY OF BLOCK 28 OF MORTON AND DOTY'S ADDITION TO THE CITY OF FARGO, CASS COUNTY, NORTH DAKOTA, AND THAT THE INSTRUMENT IS A TRUE AND CORRECT REPRESENTATION OF THE INSTRUMENT AS IT WAS EXECUTED BY THE PARTIES TO THE INSTRUMENT AND THAT THE INSTRUMENT IS A TRUE AND CORRECT REPRESENTATION OF THE INSTRUMENT AS IT WAS EXECUTED BY THE PARTIES TO THE INSTRUMENT.

COLA A. WELT, REGISTERED LAND SURVEYOR
NO REG. NO. 7213
COUNTY OF CASS
ON THIS DAY OF 2023, BEFORE ME, A NOTARY PUBLIC WITHIN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED COLA A. WELT, TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO IDENTIFIED THE FOREGOING INSTRUMENT AND ACKNOWLEDGED THAT THEY EXECUTED SAME AS THEIR FREE ACT AND DEED.
NOTARY PUBLIC COUNTY: CASS STATE: NORTH DAKOTA
MY COMMISSION EXPIRES: 2023

CITY PLANNING COMMISSION APPROVAL

THE PLAT IN THE CITY OF FARGO IS HEREBY APPROVED THIS DAY OF 2023.

NOTARY PUBLIC COUNTY: CASS STATE: NORTH DAKOTA
MY COMMISSION EXPIRES: 2023

CITY ENGINEER'S APPROVAL

THE PLAT IN THE CITY OF FARGO IS HEREBY APPROVED THIS DAY OF 2023.

NOTARY PUBLIC COUNTY: CASS STATE: NORTH DAKOTA
MY COMMISSION EXPIRES: 2023

CITY COMMISSION APPROVAL

THE PLAT IN THE CITY OF FARGO IS HEREBY APPROVED THIS DAY OF 2023.

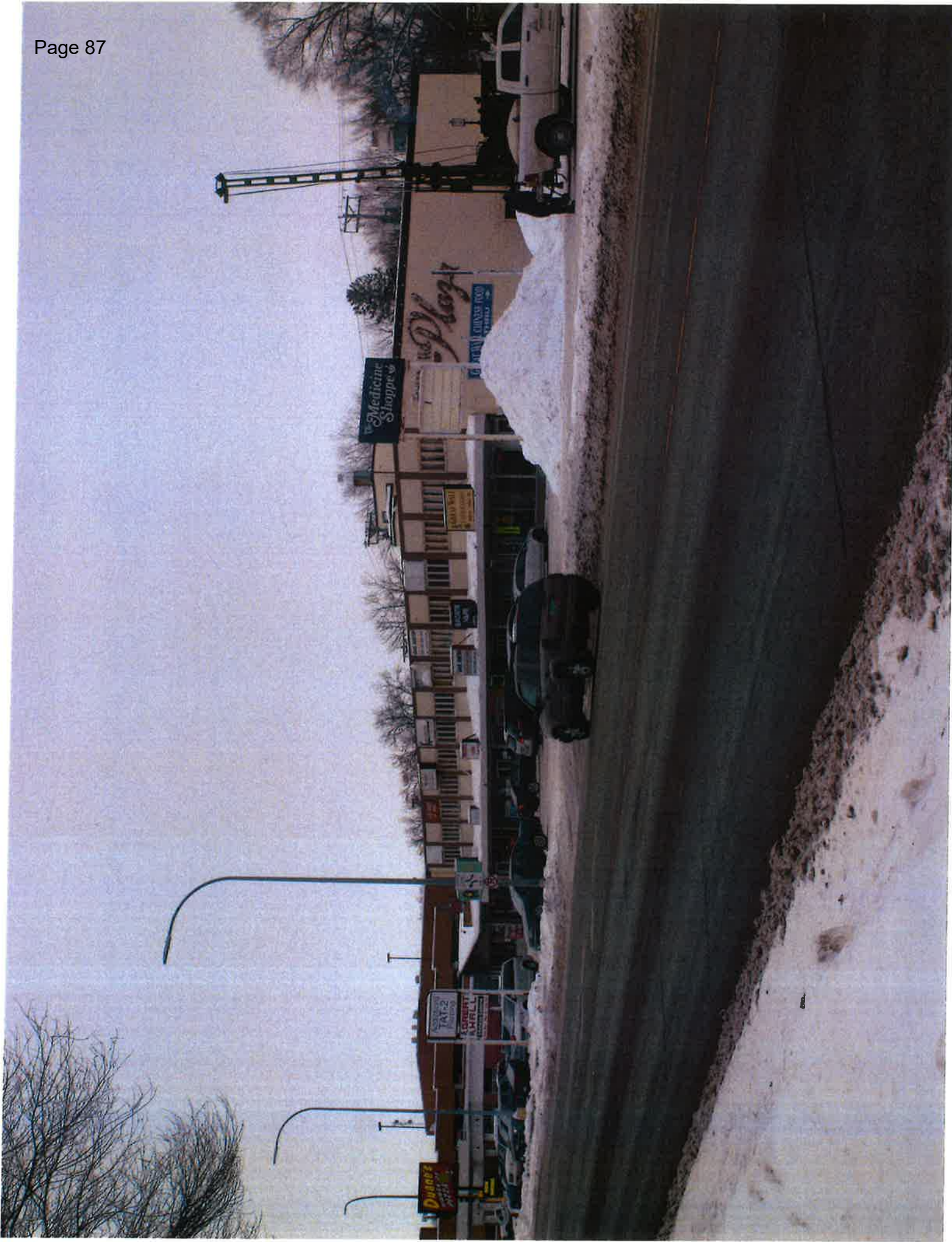
NOTARY PUBLIC COUNTY: CASS STATE: NORTH DAKOTA
MY COMMISSION EXPIRES: 2023

LOWRY ENGINEERING
3006 11ST SW SUITE 100
FARGO, NORTH DAKOTA 58103

Neset
LAND SURVEYS

SHEET 1 OF 1

APPENDIX D
PHOTOS OF EXISTING CONDITIONS









City of Fargo
Application for Tax Increment Financing

Contact Information

Primary Contact: **Name – Jesse Craig**

Address – 1405 1st Ave N. Fargo, ND 58102

Phone - (701) 232-1355

Email – jcraig@craigprop.com

General Information

Name and description of Corporation/Partnership: **Craig Development, LLC – a real estate development company**

Project Location: **1617 South University Block**

Conceptual plans: **See attached Exhibit 1**

Project Financials and Financing

Name of Developer: **Craig Development, LLC**

Ultimate owner of development: **Great Hall Properties, LLC; HJ Development, Inc.; and West Acres Adjacent Properties, LLP**

Type of Project (Commercial, Downtown, Mixed-Use): **Mixed Use**

Dollar request of TIF assistance: **Approximately \$5.1 MM**

Minimum of a 10-Year Proforma, showing the year in which the property is at full rent-up: **See attached Exhibit 3**

Total project cost: **\$30,612,832**

Hard Capital Costs: **\$24,490,266**

Contributed equity: **\$6,122,566**

Loan amount(s) with terms (anticipated rate, first maturity, final maturity)

Amount: \$24,490,266

Rate: 3.75%

First Maturity: 10 Years

Final Maturity: 25 Years

Number of housing units by type: **Studio – 32**

One Bedroom – 52

Two Bedroom – 43

Square footage of commercial space: **13,350**

Proposed rents by housing unit types and for commercial space:

Multifamily

- **Studio: \$945/mo.**
- **One Bedroom: \$1,075/mo.**
- **Two Bedroom: \$1,375/mo.**

Commercial

- **Anchor Tenant: \$24/square foot per year**
- **Tertiary Retail Space: \$22.50/square foot per year**

Detailed assumptions for any other revenues (e.g. \$100/month/garage space):

The following assumptions were made on the pro forma. Note that it is not assumed that these charges would apply to every unit, but that in aggregate, they would sum to these per unit amounts.

Pet Rent - \$6.00 per unit, per month

Pet Fees - \$3.00 per unit, per month

Admin Fees - \$0.75 per unit, per month

Late Fees / NSF Fees - \$0.75 per unit, per month

Application Charges - \$4.00 per unit, per month

Re-Rental Charges (Turnover) - \$1.00 per unit, per month

Miscellaneous Income - \$4.00 per unit, per month

Expenditures broken out by category:

Construction Cost Including Land - \$30,612,832

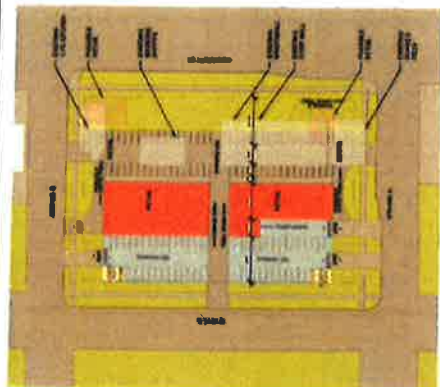
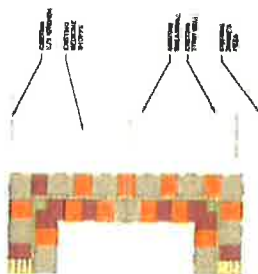
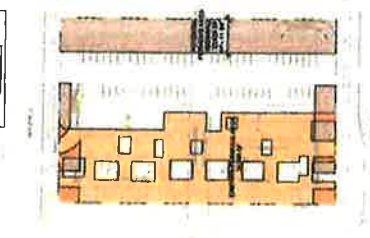
Financing Costs - \$589,596

Development Costs - \$2,275,660

Extraordinary Costs broken out by cost. (Land, demolition, public facilities)

Demolition - \$705,900

Sitework/Utilities – \$691,000

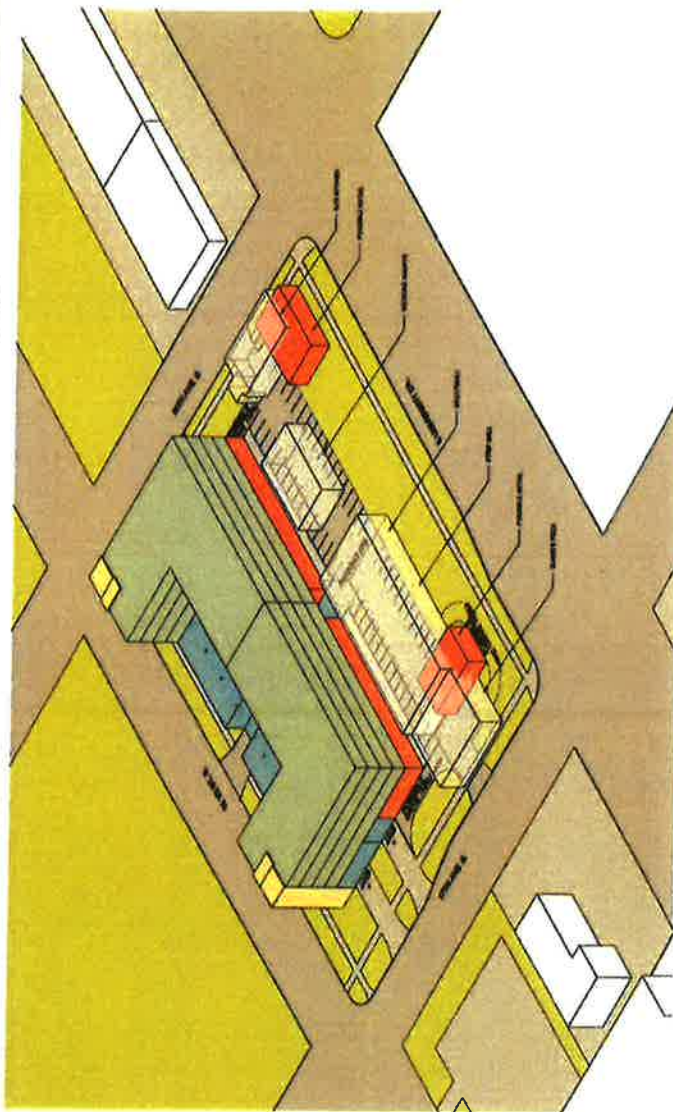


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OPTION A - LEVEL 2/6

② OPTIONAL LEVEL 1

① 2021.4.10.21

[illegible]

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South Plaza

Capital Costs	
Purchase of Land	\$2,900,000
Closing Costs for Land	\$55,000
Demolition	\$705,000
Site Survey / Soil Borings	\$86,000
Site Clearing / Grading	\$605,000
Total Other Capital Costs	\$4,351,000
Public Works Improvements	
New Public Sidewalks	\$149,000
Site Utilities (Sewer, Water, Electric, Gas, Stormwater, Communications)	\$450,000
Streetscaping and Landscaping	\$105,000
Total Public Improvements	\$704,000
Total	\$5,055,000

SOURCES AND USES (PROJECTED)

Sources:	Amount	%
Loan	\$ 24,490,266	80.0%
Land Equity	\$ -	0.0%
Development Fee Equity	\$ 643,357	2.1%
Construction Fee Equity	\$ 1,286,715	4.2%
Investor Cash	\$ 4,192,495	13.7%
Total Sources	\$ 30,612,832	100.0%

Uses:	Amount
Construction Cost	24,447,576
Land Cost	2,900,000
Municipal/City Fees	400,000
Financing-Closing Expenses	589,596
Development Cost	2,275,660
Total Uses	30,612,832

Assistance Request

The Developer is requesting assistance in the form of tax Increment financing under the City's Tax Increment Financing Policy. The Policy provides public assistance to a development through tax increment financing for private development. According to Policy #3, the maximum TIF assistance is 15 years and the Developer is asking for a 15-year exemption.

Requested Reimbursement

Below is the detailed requested cost of the proposed project to be reimbursed.

Public Infrastructure	704,000
Land Acquisition/Write Down	2,900,000
Site Survey/Soil Borings	86,000
Building Demo, Clearing, Tree Removal	705,900
Closing Costs for Land	55,000
Site Clearing/Grading	605,000
Total Requested Cost to be Reimbursed	\$5,055,900

The Developer is requesting a total of approximately \$5,055,900 of costs to be reimbursed.

Policy #8

Policy #8 limits the TIF assistance to 15% of hard construction costs, including the costs of acquisition. Based on total hard construction costs of \$30,612,832 the Developer can receive up to \$4,591,924. The Developer is requesting \$5,055,900 which is above the maximum allowed. Policy #8 also states that the Developer must provide at least 10% of total capital costs as Developer's equity in the project. It is estimated the Developer will contribute \$6,162,566 as equity which is 20% of the total capital costs.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
INCOME										
Gross Potential Rent	1,743,180	1,778,044	1,813,604	1,849,877	1,877,625	1,905,789	1,934,376	1,963,392	1,992,842	2,022,735
Variances	(544,458)	(96,081)	(98,002)	(95,962)	(93,381)	(95,289)	(96,719)	(98,170)	(99,623)	(101,171)
Uncollected Rent	(4,585)	(4,585)	(4,585)	(4,585)	(4,604)	(4,624)	(4,644)	(4,664)	(4,684)	(4,704)
Rental Incentives	(4,585)	(4,585)	(4,585)	(4,585)	(4,604)	(4,624)	(4,644)	(4,664)	(4,684)	(4,704)
Net Collected Rent	1,189,068	1,637,072	1,706,534	1,740,665	1,774,355	1,800,971	1,827,985	1,855,495	1,883,256	1,911,485
Garage Parking Income	20,855	21,979	22,089	22,280	22,353	22,466	22,566	22,652	22,736	22,819
Month to Month Fees	1,524	1,532	1,539	1,547	1,555	1,562	1,570	1,578	1,586	1,594
Pet Rent	15,240	15,240	15,392	15,469	15,546	15,624	15,702	15,780	15,859	15,938
Pet Fee/Deposit	6,096	6,126	6,157	6,187	6,218	6,249	6,281	6,312	6,344	6,375
Interest Income	381	383	385	387	389	391	393	395	396	398
Admin Fees	1,143	1,149	1,154	1,160	1,166	1,172	1,178	1,184	1,189	1,195
Late Fees/NSF Fees	3,048	3,063	3,078	3,094	3,109	3,125	3,140	3,156	3,172	3,188
Application Fees	3,048	3,063	3,078	3,094	3,109	3,125	3,140	3,156	3,172	3,188
Rental Charges	1,143	1,149	1,154	1,160	1,166	1,172	1,178	1,184	1,189	1,195
Cable/Telecom Income	0	0	0	0	0	0	0	0	0	0
RUBS Income (E.W.S.G.)	0	0	0	0	0	0	0	0	0	0
Other Income	1,524	1,532	1,539	1,547	1,555	1,562	1,570	1,578	1,586	1,594
Total Income	1,243,808	1,728,365	1,762,102	1,796,509	1,830,700	1,865,818	1,898,335	1,931,259	1,964,595	1,997,349
Operating Expenses										
Variable Expenses										
On-Site Staff Costs	45,720	46,292	46,863	47,435	48,027	48,628	49,236	49,851	50,474	51,105
On-Site Staff Benefits	3,048	3,086	3,124	3,162	3,202	3,242	3,282	3,323	3,365	3,407
Carpet Expense	9,144	9,258	9,373	9,487	9,605	9,726	9,847	9,970	10,095	10,221
Janitorial	2,286	2,315	2,345	2,372	2,401	2,431	2,462	2,493	2,524	2,555
Tenant Charge Back	12,700	12,859	13,018	13,176	13,341	13,508	13,677	13,848	14,021	14,196
Maintenance Labor	38,100	38,576	39,053	39,529	40,023	40,523	41,030	41,543	42,062	42,588
Maintenance Supplies	9,905	10,030	10,154	10,277	10,406	10,536	10,668	10,801	10,936	11,073
Equipment/Tools	381	386	391	395	400	405	410	415	421	426
Flooring Expense	762	772	781	791	800	810	821	831	841	852
Painting/Decorations	762	772	781	791	800	810	821	831	841	852
HVAC	229	231	234	237	240	243	246	249	252	256
Appliances	762	772	781	791	800	810	821	831	841	852
Elevator/Fire System	6,096	6,172	6,248	6,325	6,402	6,484	6,565	6,647	6,730	6,814
Lawn Care/Grounds	1,800	1,823	1,845	1,868	1,892	1,915	1,939	1,964	1,988	2,013
Snow Removal	2,500	2,531	2,563	2,595	2,627	2,660	2,693	2,727	2,761	2,796
Electric - Gas - Owner	12,192	12,344	12,497	12,649	12,807	12,967	13,129	13,294	13,460	13,628
Electric - Gas - Vacant	3,810	3,858	3,905	3,953	4,002	4,052	4,103	4,154	4,206	4,259
Water - Sewer - Garbage	48,758	49,378	49,987	50,597	51,229	51,870	52,518	53,174	53,839	54,512
Communications	38,100	38,576	39,053	39,529	40,023	40,523	41,030	41,543	42,062	42,588
Advertising & Promotion	7,620	7,715	7,811	7,906	8,005	8,105	8,206	8,309	8,412	8,518
Office Expenses	3,048	3,063	3,078	3,094	3,109	3,125	3,140	3,156	3,172	3,188
Professional Fees	1,143	1,149	1,154	1,160	1,166	1,172	1,178	1,184	1,189	1,195
Application Fees	1,524	1,532	1,539	1,547	1,555	1,562	1,570	1,578	1,586	1,594
Total Variable Expenses	251,163	254,302	257,442	260,583	263,741	267,139	270,478	273,859	277,382	280,748
Fixed Expenses										
Asset Management	6,219	6,442	6,666	6,893	7,124	7,358	7,594	7,832	8,071	8,312
Management Fee	31,095	31,528	31,961	32,394	32,827	33,260	33,693	34,126	34,559	34,992
Insurance	33,528	34,199	34,869	35,540	36,210	36,881	37,552	38,223	38,894	39,565
Property Tax	270,194	279,651	289,062	298,424	307,739	317,004	326,219	335,384	344,500	353,566
Total Fixed Expenses	341,037	355,220	369,457	383,637	397,782	411,842	425,824	439,736	453,576	467,430
Total Operating Expense	592,199	609,522	626,899	644,220	661,523	678,981	696,302	713,595	730,958	748,178
Net Operating Income	651,669	1,108,362	1,139,603	1,146,385	1,162,831	1,181,834	1,198,714	1,215,659	1,232,640	1,249,667
Net Multi-Family	651,669	1,108,362	1,139,603	1,146,385	1,162,831	1,181,834	1,198,714	1,215,659	1,232,640	1,249,667
Net Commercial	651,669	1,108,362	1,139,603	1,146,385	1,162,831	1,181,834	1,198,714	1,215,659	1,232,640	1,249,667
Plus: TIF Reimbursement	307,994	318,774	329,554	340,334	351,114	361,894	372,674	383,454	394,234	405,014
Less: Cap Proj Reserves	19,050	19,050	19,050	19,050	19,050	19,050	19,050	19,050	19,050	19,050
Debt Service	918,385	918,385	918,385	918,385	918,385	918,385	918,385	918,385	918,385	918,385
DSCR	107%	194%	121%	124%	126%	128%	130%	132%	134%	136%
Net Cash Flow	64,771	880,502	236,551	366,024	405,113	470,458	503,980	538,882	572,775	606,668
Cash On Cash (Actual W/ TIF)	1.5%	21.0%	7.8%	8.7%	9.7%	4.2%	11.2%	12.0%	12.8%	13.7%

City of Fargo, North Dakota

Tax Increment Financing Program

“But-For” Report

University South



October 7, 2022



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Purpose

The purpose of this report is to establish and determine the allowable value of the tax increment financing (TIF) for 1617 South University Block, a development by Craig Development, LLC (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") Tax Increment Financing Policy (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 development of a 127-unit mixed-use rental apartment building located at 1617 South University Block.

The Developer estimates the construction will be completed in the Summer of 2024 with occupancy immediately following. The Developer has requested TIF assistance in the amount of \$5,055,900 to complete the project.



Assistance Request

The Developer is requesting assistance in the form of tax increment financing under the City's Tax Increment Financing Policy. The Policy provides public assistance to a development through tax increment financing for private development. According to the Policy, the maximum TIF assistance is 15 years, and the Developer is asking for a 15-year exemption.

Eligible TIF Expenditures

Public Infrastructure	\$ 704,000
Land Acquisition/Write Down	2,900,000
Site Survey/Soil Borings	86,000
Building Demo, Clearing, Tree Removal	705,900
Closing Costs for Land	55,000
Site Clearing/Grading	<u>605,000</u>
	\$5,055,900

The Policy limits the TIF assistance to 15% of hard construction costs, including the costs of acquisition. Based on total hard construction costs of \$30,612,832 the Developer can receive up to \$4,591,924. The Developer is requesting \$5,055,900 which is above the maximum allowed.

Land Cost

The Developer states the purchase price to acquire the property for the project is \$2,900,000. Land acquisition is reimbursable under the Policy. The Developer is requesting to be reimbursed \$2,900,000 for the land acquisition which complies with the Policy.



The Policy states that the maximum eligible land costs to be recouped by the Developer should be limited to the lesser of:

- 1.) **The total acquisition cost for the property, provided that the acquisition cost is no more than 150% of the assessor's market value of the property.** The Developer's cost to acquire the property is \$2,900,000. The assessor's market value for the property totals \$2,588,300. The eligible amount for reimbursement is 150% of \$2,588,300 which totals \$3,882,450. The Developer's reimbursement request of \$2,900,000 is within the allowable reimbursable amount under this policy.
- 2.) **The difference between what was paid by the Developer for the property less the assessor's market value for the land (as opposed to land and buildings).** The current assessor's land value is \$597,000. Based on an acquisition price of \$2,900,000 the maximum reimbursement is \$2,303,000.

The lesser of the two tests detailed above is \$2,303,000. The requested reimbursement amount for land acquisition of \$2,900,000 is not allowable under the Policy.

Term

The Policy states the length of the term will be limited to 15 years or less. The Developer is requesting a 15-year term.

TIF Estimate

PFM estimates that \$4,833,134 of TIF will be generated over the 15 years assuming a 3.50% market growth rate. Based on a discount rate of 4.50%, the present value of the estimated TIF cash flow is \$3,442,072 through 15 years.



Project Financing

The Developer is investing 20% equity, or \$6,122,566, and will be privately financing \$24,490,266. The Developer is additionally requesting annual TIF assistance in the total amount of \$5,055,900. The private financing is estimated to be a 25-year loan with an estimated interest rate of 3.75% resulting in an annual principal and interest payment of \$1,510,808. The application states the project will be completed by the Summer of 2024.



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 rents of \$945 for a studio, \$1,075 for a one-bedroom, and \$1,375 for a two-bedroom. Additionally, the Developer is proposing net retail income of \$390,801 upon stabilization and full rental of the 13,350 square foot retail space. The Developer has proposed a reasonable amount for rent for the current market and location. Annual estimates of operating expenses for the 127-unit rental development total \$613,033 in year 1 and \$652,235 in year 2. The total expenses are approximately 48% of gross operating income in year 1 and 31% of gross operating income in year 2.

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 TIF assistance the Developer would have about a 3.27% internal rate of return based on a 10-year internal rate of return. The Developer would have about a 7.74% internal rate for 10 years if it received the public assistance. A reasonable rate of return for the proposed project is 10% - 15%.

The above IRR calculations were done under the assumption that the new appraised market value of the property would equal 80% of hard capital costs related to the project. The below table shows the impact on the 10- and 15-year IRR's with and without public assistance if the new appraised value were to be 80%, 90%, and 100% of hard capital costs:

Without TIF			
New Market Value % of Hard Capital Costs	100%	90%	80%
10-Year IRR	9.09%	6.59%	3.27%
15-Year IRR	10.09%	9.23%	8.21%
With TIF			
New Market Value % of Hard Capital Costs	100%	90%	80%
10-Year IRR	13.66%	11.06%	7.74%
15-Year IRR	13.97%	12.91%	11.68%

Another measure of feasibility and project viability is the debt coverage ratio. PFM has projected a debt coverage ratio in Year 10 of 1.08x without assistance, with a Year 3 coverage of 0.99x. If the City provided assistance to the project the debt coverage is projected to be 1.30x in Year 10, with a Year 3 coverage of 1.16x.

The above coverage calculations were done under the assumption that the new appraised market value of the property would equal 80% of hard capital costs related to the project. The table on the next page shows the impact on the 10- and 3-year coverage ratios with and without public assistance if the new appraised value were to be 80%, 90%, and 100% of hard capital costs:



Without TIF			
New Market Value % of Hard Capital	100%	90%	80%
Year 3 Coverage Ratio	0.94x	0.97x	0.99x
Year 10 Coverage Ratio	1.02x	1.05x	1.08x

With TIF			
New Market Value % of Hard Capital	100%	90%	80%
Year 3 Coverage Ratio	1.16x	1.16x	1.16x
Year 10 Coverage Ratio	1.30x	1.30x	1.30x

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 internal rate of return. We also looked at how much the rental rates and commercial revenue would have to fluctuate in order to achieve a reasonable internal rate of return. Lastly, we looked at a combination of the two scenarios. For the sensitivity analyses, we assumed an internal rate of return of 7.74%.

Sensitivity Scenario 1 – Project Costs

The project would have to be reduced by \$2,370,000 or 7.7% in order for the project to become viable without assistance. This reduces the amount to be financed from \$24,490,266 to \$22,594,266 and reduces the annual payment from \$1,510,808 to \$1,393,843 for the loan. It is unlikely that a reduction in project costs of this magnitude would occur at this stage in the development but could still occur.

Sensitivity Scenario 2 – Rental Rates and Commercial Revenue

In order for the project to be viable without public assistance, the rental rates and commercial revenues would have to increase by 39.2%. PFM believes this is a very high increase to the Developer's proposed rents. This increases annual rental and commercial revenue from \$1,763,835 to \$1,944,731. PFM believes the proposed rents and commercial revenues are reasonable 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 rental rates. The analysis showed that project costs would have to be reduced by \$1,980,000 or 6.5% and rental rates and commercial revenues would have to increase by about 6.4%. 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 7.74%. In addition, the coverage ratio in Year 10 is estimated to be 1.30x. The estimated internal rate of return is appropriate given the risk level for this type of project. 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.



DEVELOPER AGREEMENT

By and Between

CITY OF FARGO,
a North Dakota Municipal Corporation

and

BLOC Partners, LLC

BLOC Partners, LLC
3068 Thunder Road
Fargo, ND 58104
Richard A. Berg – General Partner

TAX INCREMENT FINANCING DISTRICT 2023-01

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DEVELOPER AGREEMENT

THIS AGREEMENT is dated as of _____, 2023; is by and between the City of Fargo, North Dakota, and BLOC Partners, LLC, a North Dakota Limited Liability Company; and provides as follows:

ARTICLE I

Definitions

Section 1.1. **Definitions.** As used in this Agreement, the following terms have the following respective meanings:

"Agreement" means this Developer Agreement, as the same may be amended.

"Available Tax Increments" means the Developer Tax Increments minus the reasonable and not theretofore reimbursed actual expenses incurred by the City in establishing and maintaining the TIF District, in preparing and implementing this Agreement, and in general in administering the TIF District and this Agreement and any supplements hereto and in participating in the actions or transactions contemplated thereby and hereby.

"Certificate of Completion" means a certification in the form of the certificate attached hereto as Exhibit F and hereby made a part of this Agreement, provided to the Developer pursuant to Section 4.4 of this Agreement.

"City" means the City of Fargo, North Dakota.

"Closing Date" means the date Developer closes with its institutional lender on its financing of the Minimum Improvements.

"Condemnation Award" means the amount remaining from an award to the Developer for the acquisition of title to and possession of the Development Property, or any material part thereof, after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such award.

"County" means the County of Cass, North Dakota.

"Capitalized Interest" means the portion of the principal amount of the Tax Increment Note that represents the sum of the products of the various eligible expenses initially borne by Developer and the City that will be reimbursed by the Tax Increment Note multiplied by an interest rate of Four and 65/100ths Percent (4.65%) per annum, simple interest, multiplied by the number of years, or fraction thereof, between the date such expense was incurred to the date of the Tax Increment Note.

"Developer" means BLOC Partners, LLC, a North Dakota limited liability company or permitted successors or assigns.

"Developer Tax Increments" means the portion of Developer's Taxes which constitutes Tax Increments, or the portion of Tax Increments derived from Developer's Taxes.

"Developer's Taxes" means taxes paid with respect to the portions of the Development Property and Improvements completed by the Developer for the fifteenth (15th) Tax Year and earlier Tax Years. Taxes for the sixteenth (16th) year following the first Tax Year, or for any subsequent year, are not included as Developer's Taxes.

"Development Costs" means those costs incurred and to be incurred by or on behalf of the Developer in acquiring the Development Property, in completing the Improvements and in financing those undertakings (including all interest charges on borrowed funds).

"Development Plan" means the Developer's development plan for the Development Property approved by the City on February 21, 2023, including all exhibits thereto, as the same may be amended from time to time.

"Development Property" means the real property described in Exhibit A to this Agreement.

"Effective Date" means the date this Agreement is actually executed and delivered.

"Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. sec. 96.01 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. sec. 69.01 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. sec. 1802 et seq., the Toxic Substances Control Act, 15 U.S.C. sec. 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. sec. 1251 et seq., the Clean Water Act, 33 U.S.C. sec. 1321 et seq., the Clean Air Act, 42 U.S.C. sec. 7401 et seq., , and any other federal, state, county, municipal, local or other statute, law, ordinance or regulation which may relate to or deal with human health or the environment, all as may be from time to time amended.

"Event of Default" means an event of default defined in Section 9.1 of this Agreement.

"Hazardous Substances" means asbestos, urea, formaldehyde, polychlorinated biphenyls ("PCBs"), nuclear fuel or material, chemical waste, radioactive material, explosives, known carcinogens, petroleum products and by-products and other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law.

"Improvements" means the improvements constructed or to be constructed by the Developer or its successors on the Development Property, including all related landscaping, lighting, parking, and other site improvements. The Improvements may exceed, but shall not be less than, the Minimum Improvements, as provided in Section 4.1.

"Maturity Date" means the date that is three (3) years from the Payment Date for the fifteenth Tax Year following the date of the issuance of the Tax Increment Note.

"Minimum Improvements" means the improvements contemplated by and in accordance with this Agreement and generally described in Section 4.1.

"Mortgage" means any mortgage or security agreement in which the Developer has granted a Mortgage or other security interest in the Development Property, or any portion or parcel thereof, or any improvements constructed thereon, and which is a permitted encumbrance pursuant to the provisions of Article VII; the term "Mortgage" shall specifically include, but shall not be limited to, leases or sale-leaseback arrangements which provide financing for the acquisition of the Development Property, or the construction of the Minimum Improvements.

"Net Proceeds" means any proceeds paid by an insurer to the Developer or City under a policy or policies of insurance required to be provided and maintained by the Developer pursuant to Article V of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.

"Party" means either the Developer or City.

"Parties" mean the Developer and City.

"Project" means the project of Improvements in and adjacent to the TIF District contemplated in the Development Plan.

"Specified Event of Default" means an Event of Default for which the City may withhold payment on the Tax Increment Note. Such Event of Default consists of a default of the Developer after the issuance of the Tax Increment Note in the Developer's ongoing covenants set forth in Sections 8.1, and 8.2.

"Tax Increment Note" means the City's Tax Increment Revenue Note in the initial principal amount of \$4,550,000 or in a lesser initial principal amount that represents reimbursement of eligible costs paid by the Developer as described in this Agreement, plus Capitalized Interest at 4.65% per annum, the form of which is attached as Exhibit C to this Agreement, issued when conditions set forth in Section 3.3 are met.

"Tax Increments" means those tax increments which the City shall be entitled to receive and retain, and which the City shall have actually received from Cass County, from time to time from the TIF District pursuant to the Urban Renewal Law.

"Tax Year" is one of a maximum of fifteen (15) successive calendar years, with the first year being the year that, pursuant to this Agreement, the Tax Increment Note is issued and with the subsequent years being the fourteen (14) subsequent calendar years. The fifteenth (15th) Tax Year, therefore, is the fourteenth (14th) calendar year following the first said year.

"Urban Renewal Law" means the North Dakota Urban Renewal Law, that is, North Dakota Century Code, Chapter 40-58, as the same may be amended.

"TIF District" means the area identified as the "District," or "District 2023-01" under the City's Development Plan approved by the Board of City Commissioners of the City of Fargo on February 21, 2023, as the same may be amended.

"Unavoidable Delays" means any delay outside the control of the Party claiming its occurrence which is the direct result of strikes; other labor troubles; unusually severe or prolonged bad weather; unavailability of materials; Acts of God; fire or other casualty to the Improvements; remediation of contaminants, pollutants or hazardous substances; unforeseen soil conditions, hazardous materials or concealed conditions; litigation (including without limitation bankruptcy proceedings); or the direct result of the COVID-19 epidemic or other virus-related epidemic and which directly results in delays; or acts of any federal, state or local governmental unit, including epidemic-related government lockdowns, which directly result in delays.

ARTICLE II

Representations, Warranties and Covenants

Section 2.1. **Representations, Warranties and Covenants by City.** The City represents and warrants that:

(a) The City has received the approval of its Board of City Commissioners to enter into and perform its obligations under this Agreement.

(b) The City herein makes no representation or warranty, either express or implied, as to the Development Property or its condition or the soil conditions thereon or that the Development Property shall be suitable for the Developer's purposes or needs.

Section 2.2. **Representations, Warranties and Covenants by Developer.** The Developer represents and warrants that:

(a) The Developer is a limited liability company duly organized and in good standing under the laws of the State of North Dakota, is not in violation of any provisions of its operating agreement or the laws of the State of North Dakota and is authorized to enter into and perform its obligations under this Agreement.

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented or limited by and will not conflict with or result in a breach of any provision or requirement applicable to the Developer or of any provision of any evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound.

(c) The Developer, with respect to its construction, operation and maintenance of the Improvements upon the Development Property, will cause the same to occur in accordance in all material respects with this Agreement and all local, state and federal laws and regulations (including without limitation environmental, zoning, building code and public health laws and regulations and including any relocation requirements under local, state or federal law).

(d) The Developer has received no notice or communication from any local, state or federal official or body that any activities of the Developer respecting the Development Property contemplated by this Agreement, including the construction of the Improvements on the Development Property, may be or will be in violation of any law or regulation.

(e) The Developer will use its reasonable efforts to obtain, in a timely manner, all required permits, licenses and approvals, and to meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Improvements may be lawfully constructed and completed.

(f) To the best knowledge and belief of the Developer, the construction of the Improvements on the Development Property within the reasonably foreseeable future is conditioned on the assistance and benefit to the Developer provided for in this Agreement. The Developer would not undertake the Project without the financing provided by the City pursuant to this Agreement.

(g) The Developer represents and covenants that throughout the term of this Agreement that the tax increment assistance provided under this Agreement will be used by the Developer solely to finance those costs which are eligible costs for reimbursement of a project as defined in the Urban Renewal Law. This provision does not apply to those costs that are initially borne by the City and reimbursed to the City by Developer as provided in Section 3.3 of this Agreement.

(h) The Developer will cooperate fully with the City with respect to any litigation commenced by third parties or by the City or both against third parties with respect to the Project.

(i) The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

(j) The Developer has not received any notice from any local, state or federal official that the activities of the Developer with respect to the Project may or will be in violation of any Environmental Law or regulation, and the Developer, without any duty of inquiry, is not aware of any state or federal claim filed or planned to be filed by any party relating to any violation of any Environmental Law.

(k) The Developer understands that the City will or may subsidize or encourage the development of other properties in the City, including properties that compete with the Development Property and Improvements, and that such subsidies or encouragements may be more favorable than the terms of this Agreement, and that the City has not represented that development of the Development Property will be favored over the development of other properties.

(l) The Developer will spend enough in construction of the Minimum Improvements, when combined with the value of the Development Property, to generate an estimated minimum market value of Twenty Million Dollars (\$20,000,000).

(m) The Developer expects that, barring Unavoidable Delays, the Project will be substantially completed by December 31, 2025.

(n) As of the Closing Date, the Developer shall have binding arrangements for all the equity and loan financing necessary to complete the Minimum Improvements.

(o) As of the Closing Date, the Developer shall have submitted to the City Construction Plans consistent with the Improvements as described in Section 4.1.

(p) As of the Closing Date, the City shall be satisfied in its reasonable judgment that the Developer has firm arrangements for financing construction or acquisition of the Project in an amount sufficient, together with equity commitments, to complete the Project in conformance with such Construction Plans, or the City shall receive such other evidence of financial ability as in the reasonable judgment of the City is required.

(q) As of the Closing Date, the Developer shall have obtained an opinion from its independent legal counsel that this Agreement is in accordance with North Dakota state law, including the provisions of N.D.C.C. Chapter 40-58, and is a binding and enforceable agreement.

(r) As of the Effective Date, the Developer has marketable record title to Developer's Property free and clear of any encumbrances or lienholders except as provided in Article VII of this Agreement or, to the extent Developer does not have marketable record title, Developer has obtained from the person, firm or entity having such title an agreement [hereinafter referred to as an "Agency Agreement"] authorizing Developer to develop Developer's Property as contemplated by this agreement and authorizing Developer to enter into this Agreement, said Agency Agreement to be in a form approved by the City.

ARTICLE III

**Completion of Improvements; Reimbursement
of Certain Costs**

Section 3.1. **Completion of Improvements by Developer.** Subject to Unavoidable Delays as provided in Section 4.2, below, the Developer shall have substantially completed the Improvements by December 31, 2025. The Developer's use of the Development Property shall be subject to (a) all of the conditions, covenants, restrictions and limitations imposed by this Agreement and also to (b) building and zoning laws and ordinances and all other local, state and federal laws and regulations.

Section 3.2. Intentionally Left Blank.

Section 3.3. **Reimbursement by City of Certain Costs; Terms of Tax Increment**

Note. The Developer hereby represents to the City that the Developer has incurred and paid and will incur and pay significant Development Costs. The reimbursements that establish the principal balance of the Tax Increment Note whose principal and interest are payable to the Developer shall be as follows. The City hereby agrees to defray a portion of the Development Costs up to \$4,550,000, as follows:

1. Demolition & Site Cleanup	\$ 1,500,000
2. Public Works Improvements	\$ 700,000
3. Property Acquisition	\$ 2,300,000
4. Advance administrative Costs (Fees)	<u>\$ 50,000</u>
Total	\$ 4,550,000

For purposes of the above-described Development Costs, eligible costs for Demolition and Site Cleanup shall include, without limitation, soil remediation, building/basement removal, asbestos removal, engineering and other consultant fees, topographic, infrastructure removal, site paving removal, soil excavation and site fill, including reasonable fees and overhead charges and eligible costs for public works improvements, which shall include, without limitation, storm water infrastructure/detention, grading, including reasonable consultants' costs and fees and including reasonable overhead charges. The demolition and site cleanup and public works improvement costs may be transferred between categories provided that the total costs eligible for reimbursement will not exceed \$2,200,000. Property acquisition is capped at the stated \$2,300,00. Total development costs are capped at \$4,550,000 (including the stated administrative fee of \$50,000). The advance administrative fee of \$50,000, set forth above, will be paid by Developer to the City at the time of issuance of the Tax Increment Note. In addition, an annual administrative fee equal to five percent (5%) of the annual increment received from

the County Auditor shall be retained by the City prior to remittance to Developer of said increment as payment on the TIF Renewal Note.

If there is a category of expense that is deemed ineligible under the Urban Renewal Law, but there are additional eligible expenses not otherwise reimbursed under this Agreement, then such otherwise non-reimbursed, but eligible, expenses may be recognized as an eligible expense under this Agreement. In addition to the foregoing costs, Developer shall be entitled to reimbursement over and above the foregoing eligible expenses an agreed upon interest rate of Four and 65/100ths (4.65%) Per Annum to be paid to Developer under the Tax Increment Note. All of the said costs, and interest, meet the representation set forth at Section 2.2(g) by issuing the Tax Increment Note, substantially in the form of Exhibit C to this Agreement, subject to the following conditions:

(a) There shall be one (1) Tax Increment Note. The principal amount of the Tax Increment Note shall be determined by adding the \$4,550,000 (or so much thereof as shall be demonstrated as set forth in Section 3.3(d)) plus a sum equal to Capitalized Interest. The Tax Increment Note shall provide for payments to be made by the City to Developer of Developer's Tax Increment received by the City from the County for the Project for the first Tax Year and for each of fourteen (14) subsequent Tax Years, with payments to be made annually on the Payment Dates, it being further provided that Available Tax Increment exists pertaining to the fifteenth (15th) or earlier Tax Years

(b) The Tax Increment Note shall be delivered only if no Event of Default shall have occurred and be at the time continuing.

(c) This subsection intentionally left blank.

(d) If the conditions set forth in this Section are met, the Tax Increment Note shall be dated, issued and delivered when the Certificate of Completion has been delivered and when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the Developer has incurred and paid eligible costs of the Improvements to be borne by Developer which will not be otherwise reimbursed or paid hereunder. Demonstration of eligible costs of Improvements up to the maximum amount of the Tax Increment Note shall be made pursuant to one or more certifications in form and substance satisfactory to the City that all or a portion of the costs of the Improvements have been incurred, together with evidence satisfactory to the City of the nature and amount of the costs of the Improvements and of the costs incurred by the Developer. Each certification shall demonstrate the specific purpose and amount of the costs of the Improvements and their compliance with the representation set forth at Section 2.2(g). The City's determination of a cost's compliance with the representation set forth at Section 2.2(g) shall, if based on the advice of its city attorney after consultation with the Developer or its counsel, be conclusive. The delivery of the Tax Increment Note itself constitutes reimbursement of expenditures in an amount equal to the principal amount of the Tax Increment Note; there are no monetary proceeds received by Developer upon delivery of the Tax Increment Note.

(e) Subject to the provisions of the Tax Increment Note, the principal of and interest on the Tax Increment Note shall in the aggregate be payable on May 15th following the date of issuance of the Tax Increment Note and on May 15th of each year thereafter until the Maturity Date, said May 15th dates being referred to herein as the "Payment Date" or collectively as the "Payment Dates". The first payment on the Tax Increment Note, to become due and payable on the first Payment Date, shall be limited to all the Available Tax Increments received to said date by the City on the Project. For all payments after said first payment on the Tax Increment Note, the amounts payable on the Tax Increment Note on each Payment Date shall be limited to the Available Tax Increments received by the City since the prior year's Payment Date. All payments made on the Tax Increment Note shall be applied first to pay accrued and unpaid interest on the Tax Increment Note and second toward payment of principal. **To the extent that the Available Tax Increments are insufficient, through the Maturity Date, to pay all accrued and unpaid interest on and the principal of the Tax Increment Note, said unpaid amounts shall then cease to be any debt or obligation of the City or of the City whatsoever.**

(f) The unpaid principal of the Tax Increment Note shall bear interest at Four and 65/100ths (4.65%) per annum from the date of issuance, compounded annually. Interest shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each.

(g) The City expresses no opinion in particular as to whether, or not, the interest income from any such TIF Revenue Note is exempt from federal income taxation, but it is assumed that the Tax Increment Note will be a "taxable" obligation.

(h) The Tax Increment Note shall be a special and limited revenue obligation of the City and not a general obligation of the City, and only Available Tax Increments received by the City shall be used to pay the principal of and interest on the Tax Increment Note. [Note: See definition of "Available Tax Increments", above.]

(i) The Tax Increment Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit C. In the event of any conflict between the terms of the Tax Increment Note and the terms of this Section 3.3, the terms of the Tax Increment Note shall govern. No payments will be made on the Tax Increment Note during such time as there is a Specified Event of Default that has not been cured by the Developer.

(j) In connection with the issuance of the Tax Increment Note, and as conditions to such issuance, the Developer shall be provided with a Private Placement Memorandum and shall execute a receipt in a form acceptable to the City stating that it has relied on its own determinations in acquiring the Tax Increment Note and not on representations or information provided by the City.

(k) For purposes of this Agreement all project values shall be as valued by the City Assessor.

Section 3.4. Release and Indemnification Covenants.

(a) The Developer releases the City and the governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") from, covenants and agrees that the Indemnified Parties shall not be liable for, and agrees to indemnify and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death of any person for which a claim is made prior to the issuance of a Certificate of Completion and occurring at, about or in connection with the Development Property and/or Improvements, or the Developer's undertaking and completion thereof, or resulting from any defect therein, except to the extent such loss, damage or death is caused by the negligence or other wrongful acts of the Indemnified Parties. This paragraph (a) shall only apply to claims made prior to the issuance of a Certificate of Completion.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever brought prior to the issuance of a Certificate of Completion and arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Improvements; provided that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Project due to any act of negligence of any person, other than any act of negligence on the part of any such indemnified party or its officers, agents, servants or employees.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

(e) This Agreement shall not create nor be construed to create any partnership, joint venture, agency, or employment relationship between the Parties.

Section 3.5. Intentionally left blank.

Section 3.6. Use of Tax Increments.

The City receives the Tax Increments generated by the TIF District from the County. The City may use Tax Increments which are not Developer Tax Increments for any purpose permitted by law. Developer Tax Increments shall be used on any date of application for the following purposes in the following order of priority:

- (1) to make payments on the Tax Increment Note; and
- (2) after payment of the Tax Increment Note in full, to pay or reimburse redevelopment costs identified by the City and to pay other eligible expenses for other projects that may be approved for the TIF District, from time to time, by the governing body of the City.

ARTICLE IV

Construction Of Minimum Improvements

Section 4.1 Construction of Minimum Improvements. The development by the Developer shall require the construction of a minimum of 12,000 square feet of commercial space and 120 apartments. The project will be considered complete when a Certificate of Occupancy has been issued for 95% of the apartment units and the commercial space is at least shelled in and ready for tenant improvements. The Improvements constructed by the Developer may, and are hereby permitted to and encouraged to, exceed in scope, scale and nature the Minimum Improvements. The Minimum Improvements constitute the lowest (or minimum) extent of Improvements which meet the development required to be provided hereunder by the Developer.

Section 4.2 Commencement and Completion of Construction. Subject to Unavoidable Delays, by December 31, 2025, the Developer shall have substantially completed the construction of the Minimum Improvements to be completed by Developer.

Time lost as a result of Unavoidable Delays shall be added to extend the completion date beyond such date, a number of days equal to the number of days lost as a result of Unavoidable Delays.

The Developer agrees for itself, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall cause to be promptly begun and diligently prosecuted to complete construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.2. Until construction of the Minimum Improvements has been completed, the Developer shall make reports to the City, in such detail and at such times as may reasonably be requested by the City, as to the actual progress of the Developer with respect to construction of the Minimum Improvements.

The Developer agrees that it shall permit designated representatives of the City to enter upon the Development Property during the construction of the Minimum Improvements to inspect such construction, after reasonable notice to Developer and at City's risk, to determine compliance with this agreement. This paragraph is not intended to apply to the customary building or code inspections by the City.

Section 4.3 Certificate of Completion. Promptly after completion of the Minimum Improvements to be completed by Developer in accordance with the provisions of this Agreement, the City will furnish the Developer with a Certificate of Completion, in substantially the form set forth in Exhibit F attached hereto. Such Certificate of Completion shall be a conclusive determination that the Developer has fulfilled the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements to be completed by Developer.

If the City shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section 4.4, the City shall, within twenty (20) days after written request by the Developer, provide the Developer with a written statement indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default under the terms of this Agreement, and what measures or acts it will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such Certificate of Completion.

ARTICLE V

Insurance And CondemnationSection 5.1. **Insurance.**

(a) The Developer will provide and maintain or cause to be maintained at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the City, furnish the City with proof of payment of premiums on:

(I) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis" in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy; the interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Worker's compensation insurance, with statutory coverage.

(b) All insurance required in this Article V shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The Developer will deposit upon the request of the City, but no more often than annually, with the City a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. In lieu of separate policies, the Developer may maintain a single policy, or blanket or umbrella policies, or a combination thereof, which provide the total coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

Section 5.2. **Condemnation.** In the event that title to and possession of the Improvements, or any material part thereof, but solely as to the Development Property and Improvements which the Developer retains ownership of, shall be taken in condemnation or by the exercise of the power of eminent domain by any governmental body or other person (except the City) prior to the Maturity Date the Developer shall, with reasonable promptness after such taking, notify the City as to the nature and extent of such taking.

ARTICLE VI

Intentionally left blank.

ARTICLE VII

Mortgage Financing

Section 7.1. **Limitation Upon Encumbrance of Property.** Prior to the completion of the Minimum Improvements, as certified by the City, neither the Developer nor any successor in interest to the Development Property or any part thereof shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property, other than:

- (a) except for the purpose of securing financing for the Development Property or Minimum Improvements, or all of them; and
- (b) if the City is given notice of such Mortgage in accordance with Sections 7.1 and 7.2.

Section 7.2. **Notice of Mortgage.** The Developer shall provide the City with a copy of the Mortgage and related note prior to the completion of the Minimum Improvements thereon.

Section 7.3. **Notice of Default; Copy to Mortgagee.** Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in its obligations or covenants under this Agreement for which the remedies of Sections 9.3 and 9.4 are available, the City shall at the same time forward a copy of such notice or demand to each holder of any Mortgage at the last address of such holder shown in the records of the City.

Section 7.4. **Mortgagee's Option to Cure Defaults.** After any breach or default referred to in Section 7.3, each such holder shall (insofar as the rights of the City are concerned) have the right, at its option, to cure or remedy such breach or default (or such breach or default to the extent that it relates to the part of the Development Property covered by its mortgage) and to add the cost thereof to the Mortgage debt and the lien of its Mortgage; provided, however, that if the breach or default is with respect to construction covered by the Mortgage, nothing contained in this Section or any other Section of this Agreement shall be deemed to require such holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the work covered by the Mortgage (beyond the extent necessary to conserve or protect the work or construction already made), provided that any such holder shall not devote the Development Property or portion thereof to a use inconsistent with the Development Plan or this Agreement without the agreement of the City.

Section 7.5. **City's Option to Cure Default on Mortgage.** In the event that the Developer is in default under any Mortgage authorized pursuant to this Article VII, whether or not the holder of the Mortgage has given the Developer notice of such default, the Developer shall notify the City in writing of:

- (a) the fact of the default;

- (b) the elements of the default; and
- (c) the actions required to cure the default.

If the default is an "Event of Default" under such Mortgage, which shall entitle such holder thereof to foreclose upon the Development Property covered by the Mortgage or any portion thereof, the Developer shall afford the City an opportunity to cure the "Event of Default" to the extent consistent with the Mortgage or permitted by the holder of the Mortgage upon request of the Developer, which request the Developer hereby covenants to make, within the time for cure provided by the Mortgage or within such longer reasonable time period as the holder shall deem appropriate. The City shall have no obligation to cure any such default.

ARTICLE VIII

Prohibitions Against Assignment And Transfer; Indemnification

Section 8.1. **Status of Developer; Transfer of Substantially All Assets.** As security for the obligations of the Developer under this Agreement, the Developer represents and agrees that prior to the earlier of the issuance of the Tax Increment Note, the Developer will maintain its existence as a North Dakota limited liability company and maintain its authority to conduct business in the State of North Dakota and shall not consolidate with or merge into another entity and shall not dissolve or otherwise dispose of all or substantially all of its assets; provided that the Developer may consolidate with or merge into another entity or sell or otherwise transfer to a partnership, limited liability partnership or corporation organized under the laws of one of the United States, or an individual, all or substantially all of its assets as an entirety and thereafter dissolve and be discharged from liability hereunder if (i) the transferee partnership, corporation or individual assumes in writing all of the obligations of the Developer under this Agreement; and (ii) the City receives such new security from the successor Developer to assure completion of the Project and the fulfillment of the remaining obligations of this Agreement as the City deems necessary or desirable.

Section 8.2. **Prohibition Against Transfer of Property and Assignment of Agreement.** The Developer represents and agrees that prior to the issuance of the Tax Increment Note:

(a) Subject to Article VII and Subsections 8.2(c), 8.2(e) and 8.2(f) of this Agreement, except (i) only by way of security for, and only for, the purpose of obtaining financing (including construction loans secured by the Project, and loans secured by the Tax Increment Note) necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to making the Minimum Improvements under this Agreement, (ii) for a transfer of a portion of the Development Property to a separate entity that controls, is controlled by, or is under common control with, Developer, or (iii) for any other purpose authorized by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the relevant portion of the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the City.

(b) Subject to Subsections 8.2(c), the City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the remaining obligations undertaken in this Agreement by the Developer with respect to the relevant portion of the Development Property.

(ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed with respect to the relevant portion of the Development Property all of the remaining obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject (unless the Developer agrees to continue to fulfill those obligations, in which case the preceding provisions of this Section 8.2(b)(ii) shall not apply); provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) deprive the City of any rights or remedies or controls with respect to the Development Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Minimum Improvements that the City would have had, had there been no such transfer or change. In the absence of specific written approval by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(iii) There shall be submitted to the City for review and prior written approval all pertinent instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII.

(c) Upon the furnishing of a Certificate of Completion pursuant to Section 4.4, notwithstanding any provisions to the contrary in this Article VIII, the Developer may sell or transfer such property or a portion thereof without any approval pursuant to Section 8.2(a) or (b).

(d) Nothing in subsections (a) or (b), above, is intended to limit the Developer's authority and right to rent or lease space in the Development Property to tenants.

Section 8.3. Approvals. Any approval of a transfer of interest in the Developer, this Agreement, or the Development Property or of a release of the Developer from its obligations hereunder required to be given by the City under this Article VIII

may be denied only in the event that the City reasonably determines that the ability of the Developer to perform its obligations under this Agreement and its statutory duty, as owner, to pay ad valorem real property taxes assessed with respect to the Development Property, or any part thereof, or the overall financial security provided to the City under the terms of this Agreement, or the likelihood of the Minimum Improvements being successfully constructed and operated pursuant to the terms of this Agreement, will be materially impaired by the action for which approval is sought.

ARTICLE IX

Events of Default

Section 9.1. **Events of Default Defined.** The following are Events of Default under this Agreement:

- (a) There shall have occurred a failure in the observance or performance in any material respect of any covenant, condition, obligation or agreement to be observed or performed under this Agreement.
- (b) If any representation or warranty made by the Developer herein shall at any time prove to have been incorrect in any material respect as of the time made.
- (c) If the Improvements are not substantially completed by December 31, 2025, as such time may be extended by Unavoidable Delays.
- (d) If the holder of any mortgage on the Development Property or any portion thereof shall commence a legal action on the secured indebtedness or a foreclosure of its mortgage.
- (e) If the Developer shall breach, in a material respect, any warranties, covenants or other provisions of this Agreement not referred to in the foregoing provisions of this Section 9.1.
- (f) The filing by the Developer of a voluntary petition in bankruptcy or the adjudication of the Developer as a bankrupt, the insolvency of the Developer or the filing by the Developer of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation resolution or similar relief under any present or future federal, state or other statutes, laws or regulations relating to bankruptcy, insolvency or other relief for debtors, or if the Developer seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator for itself or its property, or makes any general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due.
- (g) If the Developer shall not have available, and be able to demonstrate to the reasonable satisfaction of the City, sufficient funds to complete the Improvements and pay all costs thereof.

An Event of Default shall also include any occurrence which would with the passage of time or giving of notice become an Event of Default as defined hereinabove.

Section 9.2. Remedies on Default. Whenever any Event of Default occurs, in addition to all other remedies available to the City at law or in equity, the City (1) may, upon written notice, suspend its performance (other than the payment of the Tax Increment Note, except as provided below for a Specified Event of Default) under this Agreement until it receives assurances from the Developer, deemed adequate by the City, that the Developer has cured its default and will continue its performance under this Agreement, and (2) may, after provision of sixty (60) days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said sixty (60) days, or, if the Event of Default cannot be cured within sixty (60) days, the Developer does not provide assurances to the City reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible, terminate this Agreement, without further obligation whatsoever hereunder to the Developer.

Notwithstanding anything to the contrary stated in this Agreement, the City shall not exercise any remedies at law or in equity or under this Agreement upon an Event of Default by the Developer, other than the City's right to suspend its performance under this Agreement, until after provision of sixty (60) days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said sixty (60) days, or, if the Event of Default cannot be cured within sixty (60) days, the Developer does not provide assurances to the City reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible.

As a remedy for an Event of Default:

- (a) The City may suspend or terminate payments on the Tax Increment Note, if the Event of Default is a Specified Event of Default.
- (b) The City may withhold a Certificate of Completion.
- (c) The City may take any action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, to recover any damages or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the either Party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 9.4. **No Additional Waiver Implied by One Waiver.** If any agreement contained in this Agreement should be breached by either Party and thereafter waived by the other Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. **Agreement to Pay Attorneys' Fees and Expenses.** Whenever any Event of Default occurs and has not been cured within sixty (60) days and the City shall employ attorneys or incur other expenses for the enforcement, performance or observance of any obligations or agreement on the part of the Developer contained herein, or for the identification and/or pursuit of any remedies or possible workouts of such default, the Developer agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City. If an Event of Default cannot be cured within sixty (60) days, but the Developer has provided assurances to the City reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible (as provided in Section 9.2), and the Developer does so cure said Event of Default in the manner as assured to the City, the Event of Default shall be deemed to have been cured within said sixty (60) days for purposes of this Section.

ARTICLE X

Additional Provisions

Section 10.1. **Titles of Articles and Sections.** Any titles of the several parts, Articles and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions hereof.

Section 10.2. **Notices and Demands.** Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by either Party to the other shall be sufficiently given or delivered if sent by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and,

(a) in the case of the Developer, to Richard A. Berg, General Partner, BLOC Partners, LLC, 3068 Thunder Road, Fargo, ND 58104, and

(b) in the case of the City, to the City at 225 North 4th Street, Fargo, North Dakota 58102, Attention: Director of Strategic Planning and Research AND to the City at 225 North 4th Street, Fargo, North Dakota 58102, Attention: City Auditor;

or at such other address with respect to either such Party as that Party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 10.3. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute an original hereof.

Section 10.4. **Law Governing.** The Parties agree that this Agreement shall be governed and construed in accordance with the laws of the State of North Dakota.

To the extent the ability of the City to perform any obligations under this agreement is impaired or limited by modifications in North Dakota law, as established either by the legislature or the courts, this agreement shall be interpreted and construed to maximize the fulfillment of such obligations under the law; however, no breach of this agreement may be deemed to occur as a result of such impairment or limitation.

Section 10.5. **No Filing of Agreement.** The Parties agree that this Agreement shall not be filed against the Development Property, and each Party agrees that if it shall inadvertently cause or suffer this Agreement to be so filed, it will take such actions as may be necessary to remove, satisfy and render ineffective any such filing.

Section 10.6. **Modification.** If the Developer is requested by the holder of a Mortgage or by a prospective holder of a prospective Mortgage to amend or supplement this Agreement in any manner whatsoever, the City will, in good faith, consider the request with a view to granting the same unless the City, in its reasonable judgment, concludes that such modification is not in

the public interest, or will significantly and undesirably weaken the financial security provided to the interests of the City by the terms and provisions of this Agreement.

Section 10.7. **Legal Opinions.** Upon execution of this Agreement, each party shall, upon request of the other parties, supply the other parties with an opinion of its legal counsel to the effect that this Agreement is legally issued or executed by, and valid and binding upon, such party, and enforceable in accordance with its terms.

Section 10.8. **Approvals; Officer Action.** Wherever in this Agreement the consent or approval of the City or Developer is required or requested, such consent or approval shall not be unreasonably withheld or unduly delayed (except to the extent that, as a remedy upon the occurrence of an Event of Default, the City is entitled to withhold its performance). Any approval, execution of documents, or other action to be taken by the City pursuant to this Agreement or for the purpose of determining sufficient performance by the Developer under this Agreement may be made, executed or taken by the Mayor of the City without further approval by the Board of City Commissioners of the City, to the extent permitted by law. The Mayor may, but shall not be required to, consult with other City staff with respect to such matters. Any approval, execution of documents, or other action to be taken by the City pursuant to this Agreement or for the purpose of determining sufficient performance by the Developer under this Agreement may be made, executed or taken by the Mayor without further approval by the Board of City Commissioners of the City, to the extent permitted by law. The Mayor may, but shall not be required to, consult with City staff with respect to such matters.

ARTICLE XI

Termination of Agreement; Expiration

Section 11.1. **City's Option to Terminate.** As provided and under the conditions specified in Section 9.2, the City may terminate this Agreement if an uncured Event of Default shall have occurred hereunder and be continuing following notice as set forth in Section 9.2. Nothing in that or in this Section shall affect the City's right, should the City not so elect to terminate this Agreement and as recourse against the Developer, to insist on performance hereunder by the Developer.

Section 11.2. **Expiration.** This Agreement shall expire when the Tax Increment Note is paid in full or, if earlier, on the Maturity Date.

Section 11.3. **Effect of Termination or Expiration.** No termination or expiration of this Agreement pursuant to the terms hereof shall terminate (i) any rights or remedies of the City arising hereunder due to an Event of Default, or of the Developer arising hereunder due to a breach of this Agreement by the City, occurring prior to such termination or expiration or (ii) the provisions of Sections 3.5, 3.6 and 9.7 hereof.

Section 11.4. **No Third Party Beneficiaries.** There shall, as against the City, be no third party beneficiaries to this Agreement. More specifically, the City enters into this Agreement, and intends that the consummation of the City obligations contemplated hereby shall be, for the sole and exclusive benefit of the Developer, and notwithstanding the fact that any other "persons" may ultimately participate in or have an interest in the Improvements, the City does not intend that any party other than the Developer shall have, as alleged third party beneficiary or otherwise, any rights or interests hereunder as against the City, and no such other party shall have standing to complain of the City's exercise of, or alleged failure to exercise, its rights and obligations, or of the City's performance or alleged lack thereof, under this Agreement.

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be executed by their duly authorized representatives.

CITY OF FARGO, NORTH DAKOTA

(SEAL)

By _____
Timothy Mahoney, its Mayor

ATTEST:

By _____
Steven Sprague, City Auditor

STATE OF NORTH DAKOTA)
)ss.
COUNTY OF CASS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by Timothy Mahoney and Steven Sprague, the Mayor and City Auditor, respectively, of the City of Fargo, North Dakota, on behalf of said City.

Notary Public

This document drafted by:

Erik R. Johnson
Assistant City Attorney-Fargo
608 24th Ave S
Fargo, ND 58103
(701) 371-6850
ejohnson@lawfargo.com

BLOC Partners, LLC

By: _____
Richard Berg, General Partner

STATE OF NORTH DAKOTA)
)
COUNTY OF CASS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by Richard Berg, the General Partner of BLOC Partners, LLC, a North Dakota limited liability company on behalf of said company.

Notary Public

EXHIBIT A

Legal Description as of date of this Agreement is:

Lots One (1) through Sixteen (16), Block Twenty-eight (28), Morton and Doty's Addition to the City of Fargo, County of Cass, State of North Dakota.

[Upon re-plat of the foregoing, the legal description is expected to be:

Lot One (1), Block One (1), Duane's Pizza Addition to the City of Fargo, County of Cass, State of North Dakota.]

EXHIBIT B

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EXHIBIT C
FORM OF TAX INCREMENT NOTE

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF NORTH DAKOTA
CASS COUNTY
CITY OF FARGO

TAX INCREMENT
REVENUE NOTE OF 20____
(TAX INCREMENT DISTRICT 2023-01 PROJECT)

KNOW ALL PERSONS BY THESE PRESENTS that the City of Fargo, Cass County, North Dakota (the "City"), certifies that it is indebted and for value received promises to pay to BLOC Partners, LLC, a North Dakota limited liability company (the "Developer"), or the registered assign, the principal sum of _____ Million _____ Hundred _____ Thousand and no/100 Dollars (\$____,____,000.00), an amount issued in reimbursement of eligible costs paid by the Developer, unless due sooner by redemption or early payment, on the Maturity Date defined below; but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided; and to pay interest on the unpaid principal amount of this Note at the rate of interest of Four and 65/100ths Percent (**4.65%**) per annum, compounded annually. Interest shall accrue from the date of this Note on the amount issued and shall be computed on the basis of a 360-day year consisting of 12 30-day months. This Note is the "Tax Increment Note" (the "Note") described and defined in that certain Developer Agreement, dated as of _____, 20____ (as the same may be amended from time to time, the "Developer Agreement"), by and between the City and BLOC Partners, LLC, a North Dakota limited liability company, as the initial Developer under the Developer Agreement. Each capitalized term which is used but not otherwise defined in this Note shall have the meaning given to that term in the Developer Agreement or in the resolution authorizing the issuance of this Note. Principal and interest are payable at such address as shall be designated in writing by BLOC Partners, LLC, or other registered holder of this Note, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Payment Dates. Subject to the terms hereof, the principal of and interest on the Tax Increment Note shall in the aggregate be payable on May 15th following the date of issuance of the Tax Increment Note and on May 15th of each year thereafter until the Maturity Date, said May 15th dates being referred to herein as the "Payment Date" or collectively as the "Payment Dates".

Payment Amounts. On each Payment Date (or, if not a business day of the City, the first business day thereafter) the City shall pay by check or draft mailed to the person that was the Registered Owner of the Note at the close of the last business day of the City preceding such Payment Date an amount as follows: (a) the first payment on the Tax Increment Note, to become due and payable on the first Payment Date, shall be limited to all the Available Tax Increments received to said date by the City on the Project and (b) for all payments after said first payment on the Tax Increment Note, the amounts payable on the Tax Increment Note on each Payment Date shall be limited to the Available Tax Increments received by the City since the prior year's Payment Date. All payments made on the Tax Increment Note shall be applied first to pay accrued and unpaid interest on the Tax Increment Note and second toward payment of principal. To the extent that the Available Tax Increments are insufficient, through the Maturity Date, to pay all accrued and unpaid interest on and the principal of the Tax Increment Note, said unpaid amounts shall then cease to be any debt or obligation of the City or of the City whatsoever. In no event shall any City be obligated to remit payment of principal in excess of the aggregate amount of the unpaid principal of the Note. The City shall have the option at any time to prepay in whole or in part the principal amount of this Note at par plus accrued interest. All payments made by the City under this Note shall be applied first to pay accrued and unpaid interest on this Note and second toward payment of principal hereof.

Redemption. In addition to the amounts of principal required to be paid by the City as hereinabove set forth, the City shall have the right to prepay on any date the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine upon, in multiples of \$1,000, at par plus accrued interest. Notice of any such optional prepayment shall be given prior to the prepayment date by mailing to the registered owner of this Note a notice fixing such prepayment date and the amount of principal to be prepaid.

Available Tax Increments. "Available Tax Increments" are defined in the Developer Agreement as follows:

"Developer Tax Increments minus the reasonable and not theretofore reimbursed actual expenses incurred by the City in establishing and maintaining the TIF District, in preparing and implementing this Agreement, and in general in administering the TIF District and this Agreement and any supplements hereto and in participating in the actions or transactions contemplated thereby and hereby."

"Developer Tax Increments" are defined in the Developer Agreement as follows:

"The portion of Developer's Taxes which constitutes Tax Increments, or the portion of Tax Increments derived from Developer's Taxes."

"Tax Increments" are defined in the Developer Agreement as follows:

“Tax Increments’ means those tax increments which the City shall be entitled to receive and retain, and which the City shall have actually received from Cass County, from time to time from the TIF District pursuant to the Urban Renewal Law.

In addition, “Developer’s Taxes” are defined in the Developer Agreement as follows:

“Developer’s Taxes’ means taxes paid with respect to the portions of the Development Property and Improvements completed by the Developer for the fifteenth (15th) Tax Year and earlier Tax Years. Taxes for the sixteenth (16th) year following the first Tax Year, or for any subsequent year, are not included as Developer’s Taxes..”

In addition, “Tax Year” is defined in the Developer Agreement as follows:

“Tax Year” is one of a maximum of fifteen (15) successive calendar years, with the first year being the year that, pursuant to this Agreement, the Tax Increment Note is issued and with the subsequent years being the fourteen (14) subsequent calendar years. The fifteenth (15th) Tax Year, therefore, is the fourteenth (14th) calendar year following the first said year.

In addition, “Maturity Date” is defined in the Developer Agreement as follows:

“Maturity Date” means the date that is three (3) years from the Payment Date for the fifteenth Tax Year following the date of the issuance of the Tax Increment Note.

In addition, Section 3.6 of the Developer Agreement provides as follows:

"The City receives the Tax Increments generated by the TIF District from the County. The City may use Tax Increments which are not Developer Tax Increments for any purpose permitted by law. Developer Tax Increments shall be used on any date of application for the following purposes in the following order of priority:

- (a) to make payments on the Tax Increment Note; and,
- (b) after payment of the City Development Costs and Tax Increment Note in full, to pay or reimburse redevelopment costs identified by the City and to pay other eligible expenses for other projects that may be approved for the TIF District, from time to time, by the governing body of the City.

No Payment Upon Default. No payments will be made on this Note during such time as there is an Event of Default under the Developer Agreement which has not been cured by the Developer.

Lack of Protective Covenants. The City of Fargo, North Dakota (the "City"), has not covenanted to endeavor in any fashion to cause Tax Increments to be sufficient to generate Available Tax Increments sufficient to pay this Note, nor have they covenanted to take actions under the Developer Agreement with such sufficiency as a goal.

Sufficiency of Revenues. The City makes no representation or covenant, express or implied, that the revenues described herein will be sufficient to pay, in whole or in part, the amounts which are or may otherwise become due and payable hereunder. Any amounts which have not become due and payable on this Note on or before the Maturity Date shall no longer be payable, as if this Note had ceased to be any debt or obligation of the City or of the City whatsoever.

Issuance; Purpose; Special Limited Obligation. This Note is in the aggregate principal amount of \$_____, (the "Note"), which Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of North Dakota including North Dakota Century Code Chapter 40-58, for the purpose of providing money to finance certain eligible costs within the City's Urban Renewal District 2023-01, specifically the costs identified in Section 3.3 of the Developer Agreement. The Notes are payable out of the Tax Increment Revenue Note of 2023-0 (BLOC Project) Fund of the City, to which have been pledged amounts representing Available Tax Increments to be received by the City from the City's 2023-01 Tax Increment District in the City. This Note is not any obligation of any kind whatsoever of any public body, except that this Note is a special and limited revenue obligation but not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications and limitations stated or referenced herein. Neither the full faith and credit nor the taxing powers of the City or of the City are pledged to or available for the payment of the principal of or interest on this Note, and no property or other asset of the City or of the City, save and except the above referenced Available Tax Increments, is or shall constitute a source of payment of the City's obligations hereunder.

Limitation on Transfer. This Note may only be transferred to a person who is (1) a successor of BLOC Partners, LLC, by reorganization, merger or acquisition, (2) a member of BLOC Partners, LLC, (3) to a lender of BLOC Partners, LLC, as collateral for financing as permitted by the Developer Agreement, (4) a related person to such partner or successor, (5) a "qualified institutional buyer" as defined in Rule 144A promulgated under the federal Securities Act of 1933, or (6) an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) promulgated under the federal Securities Act of 1933. The City shall not register any transfer of this Note unless (i) a registered owner's prospective transferee delivers a representation letter in form satisfactory to the City verifying that the transferee is a "qualified institutional buyer"; or (ii) such transferee is an "accredited investor" which has delivered a representation letter in form satisfactory to the City; or (iii) the prospective transferee demonstrates to the satisfaction of the City that it is the successor, partner or related person to BLOC Partners, LLC, noted above.

Any registered owner desiring to effect a transfer shall, and does hereby, agree to indemnify the City against any liability, cost or expense (including attorneys' fees) that may result if the transfer is not so made.

Registration; Transfer. This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the officer of the City performing the functions of the Treasurer, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration on the reverse side hereof. Thereafter this Note may be transferred to a bona fide purchaser who is a permitted transferee only by delivery with an assignment duly executed by the registered owner or his, her or its legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Treasurer of the City.

Developer Agreement. The terms and conditions of the Developer Agreement are incorporated herein by reference and made a part hereof. The Developer Agreement may be attached to this Note, and shall be attached to this Note if the holder of this Note is any person other than BLOC Partners, LLC. No payments will be made on this Note during such time as there is a Specified Event of Default under the Developer Agreement which has not been cured by the Developer.

Taxable Obligation. This Note is intended to bear interest that is included in the gross income of the owner.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of North Dakota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; and that this Note, together with all other debts of the City outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Fargo, Cass County, North Dakota, by its Board of City Commissioners has caused this Note to be executed on its behalf by the signature of its Mayor and attested by the signature of the City Auditor, all as of _____, 20__.

CITY OF FARGO, CASS COUNTY, NORTH
DAKOTA

By: _____
Timothy Mahoney, its Mayor

ATTEST:

Steven Sprague, City Auditor

(SEAL)

Tax Increment Revenue Note of 2023 (District 2023-0__ 2023-01)

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

DATE OF
REGISTRATIONREGISTERED OWNER

SIGNATURE OF
AUTHORITY'S TREASURER

BLOC Partners, LLC

, 2023

EXHIBIT D
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EXHIBIT E

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EXHIBIT F

CERTIFICATE OF COMPLETION

WHEREAS, the City of Fargo, North Dakota, a municipal corporation, (the "City") and BLOC Partners, LLC, a North Dakota limited liability company (the "Developer") have entered into an agreement dated as of the ____ day of _____, 20____; and

WHEREAS, the Developer has to the present date performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the City to permit the execution and recording of this certification:

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Developer have been completed, and the above covenants and conditions in said Developer Agreement have been performed by the Developer therein, and that the Tax Increment Note, referred to in said Developer Agreement, may be issued to Developer by the City.

CITY OF FARGO, NORTH DAKOTA

By: _____
Timothy Mahoney, Mayor

Attest:

Steven Sprague, City Auditor

EXHIBIT G
INTENTIONALLY LEFT BLANK.

EXHIBIT H
FORM OF LEGAL OPINION OF DEVELOPER'S COUNSEL

[Fargo]

Re: Development Agreement by and between the City of Fargo, North Dakota, and BLOC Partners, LLC, a North Dakota limited liability company

Ladies and Gentlemen:

As counsel for BLOC Partners, LLC, a North Dakota limited liability company (the "Company"), and in connection with the execution and delivery of a certain Developer Agreement (the "Development Agreement") dated as of _____, 2023, between the Company and the City of Fargo, North Dakota (the "City"), we hereby render the following opinion:

We have examined the original certified copy, or copies otherwise identified to our satisfaction as being true copies, of the following:

- (a) The Company Operating Agreement;
- (b) Minutes relating to the meetings of the members of the Company at which action was taken with respect to the transactions covered by this opinion;
- (c) The Development Agreement;
- (d) and such other documents and records as we have deemed relevant and necessary as a basis for the opinion set forth herein.

Based on the pertinent law, the foregoing examination and such other inquiries as we have deemed appropriate, we are of the opinion that:

1. The Company has been duly organized and is validly existing as a limited liability company under the laws of the State of North Dakota and is qualified to do business in the State of North Dakota. The Company has full power and authority to execute, deliver and perform in full the Development Agreement; and the Development Agreement has been duly and validly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by the other parties thereto, is in full force and effect and is a valid and legally binding instrument of the Company enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally.

2. The consummation of the transactions contemplated by the Development Agreement, and the carrying out of the terms thereof, will not result in violation of any provision of, or in default under, the operating agreement of the Company or any indenture, mortgage, deed of trust, indebtedness, agreement, judgment, decree, order, statute, rule, regulation or restriction to which the Company is a party or by which it or its property is bound or subject, and do not constitute a loan to the Company.

3. The undersigned has provided an opinion to the Company that the Development Agreement is in accordance with North Dakota state law, including N.D.C.C. Chapter 40-58, and is a binding and enforceable agreement. A copy of such opinion, fully dated and executed, is in turn attached to this opinion.

Very truly yours



NOTICE OF HEARING

Application for Alcoholic Beverage License Transfer

Notice is hereby given that the Board of City Commissioners of the City of Fargo, North Dakota, will conduct a Public Hearing in the City Commission Room, City Hall, on Tuesday, February 21, 2023 at 5:15 o'clock p.m. to consider an application for transfer of a Class "ABH" Alcoholic Beverage License from Fargo Suites d/b/a Fargo Suites, to Fargo Sunrise Hotel LLC d/b/a Country Inn & Suites to be located at 3316 13 Ave S, Fargo.

Any interested person may appear and will be heard.

City Auditor's Office
(February 1, 2023)

MEMORANDUM

TO: Liquor Control Board

FROM: Steven Sprague, City Auditor

SUBJECT: Liquor License Application – Country Inn & Suites

DATE: February 15, 2023

The following application for a liquor license was received by the Auditor's office and reviewed by the Liquor Control Board:

License Class: ABH – Full Service Hotel
Business Name: Country Inn & Suites
Location: 3316 13th Ave South
Applicants: Mukesh Patel, Sanjiv Patel & Jignesh Patel

This application is for the transfer of a Class ABH liquor license. This facility will continue to operate as a full service hotel with a full alcohol liquor license.

Being no significant concerns, staff & Liquor Control recommend approval of the issuance of a Class ABH alcoholic beverage license to Fargo Sunrise Hotel LLC d/b/a Country Inn & Suites. The complete application is available for review in the Auditor's Office.

Recommended Motion:

Move to approve the issuance of a Class ABH alcoholic beverage license to Fargo Sunrise Hotel LLC d/b/a Country Inn & Suites.



FARGO POLICE DEPARTMENT

A SAFE AND UNIFIED COMMUNITY BUILT ON TRUST, ACCOUNTABILITY AND INCLUSION

CRIMINAL INVESTIGATIONS DIVISION

MEMORANDUM

To: Chief David Zibolski

From: Sergeant Tom Morris *DM*

Date: 01.23.2023

RE: Alcoholic Beverage License Application, Class "ABH" Country Inn & Suites Fargo

**Application for a Transfer of a Class "ABH" Alcoholic Beverage License from
Fargo Suites d/b/a Fargo Suites, to Fargo Sunrise Hotel LLC d/b/a Country Inn & Suites to be located at 3316 13 Ave S,
Fargo.**

In accordance with Section 25-1505 of the Fargo Municipal Code, I have conducted an investigation into the character, reputation and fitness of the applicant(s) listed on the supplied application.

During this investigation, I examined the applicants' credit reports and public record criminal backgrounds.

The following information was discovered through this investigation:

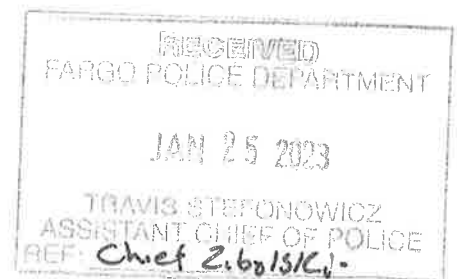
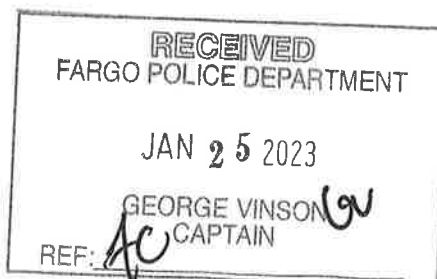
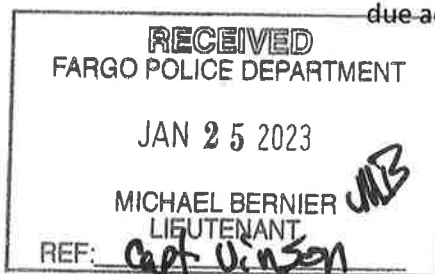
Patel, Mukesh – Owner/Manager

Criminal History-

A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov), Minnesota public records (<https://chs.state.mn.us/>) and an Illinois public internet search showed no criminal activity.

Credit History-

Mukesh Patel's credit report was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.



Patel, Sanjiv – Owner/Manager

Criminal History-

A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov), Minnesota public records (<https://chs.state.mn.us/>) and an Illinois public internet search showed no criminal activity.

Credit History-

Sanjiv Patel's credit report was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.

Patel, Jignesh – Owner/Manager

Criminal History-

A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov), Minnesota public records (<https://chs.state.mn.us/>) and an Illinois public internet search showed no criminal activity.

Credit History-

Jignesh Patel's credit report was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.

Investigation Notes

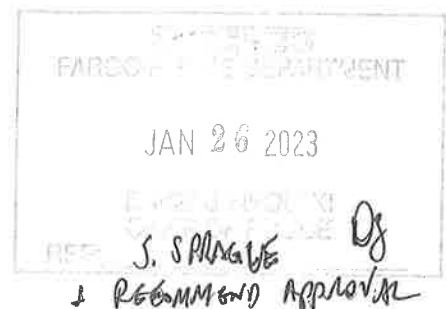
This application is for a class "ABH" alcoholic beverage license (authorizes the licensee to sell beer, wine and spirits "on-sale" and "off-sale", bar is allowed, at a hotel).

Business Location

Country Inn & Suites is located at 3316 13 Ave S Fargo. Other businesses in the area with alcoholic beverage licenses are Sickies Garage Burgers & Brews, Ramada by Windham, Crooked Pint Ale House, Spirit Shop Liquor Store and Cash Wise Liquor Store.

Conclusion

This background investigation is being forwarded for your review and recommendation to the City of Fargo Liquor Control Board.



A handwritten signature, possibly "JAd", enclosed within a hand-drawn circle.

NOTICE OF HEARING

Application for Alcoholic Beverage License

Notice is hereby given that the Board of City Commissioners of the City of Fargo, North Dakota, will conduct a Public Hearing in the City Commission Room, City Hall, on Tuesday, February 21, 2023, at 5:15 o'clock p.m. to consider an application for a Class "H" Alcoholic Beverage License for CEC Entertainment, LLC d/b/a: Chuck E Cheese to be located at 1202 Nodak Drive, Fargo.

Any interested person may appear and will be heard.

City Auditor's Office
(February 1, 2023)

MEMORANDUM

TO: Liquor Control Board

FROM: Steven Sprague, City Auditor

SUBJECT: Liquor License Application – Chuck E Cheese

DATE: February 15, 2023

The following application for a liquor license was received by the Auditor's office and reviewed by the Liquor Control Board:

License Class: H – Beer only requires food sales, no bar
Business Name: Chuck E Cheese
Location: 1202 Nodak Drive
Applicants: David Deck & Kelsey Kosanke

This application is for the transfer of a Class H liquor license. This facility will continue to operate a pizza and entertainment center.

Being no significant concerns, staff & Liquor Control recommend approval of the issuance of a Class H alcoholic beverage license to CEC Entertainment LLC d/b/a Chuck E Cheese. The complete application is available for review in the Auditor's Office.

Recommended Motion:

Move to approve the issuance of a Class H alcoholic beverage license to CEC Entertainment LLC d/b/a Chuck E Cheese.



FARGO POLICE DEPARTMENT

A SAFE AND UNIFIED COMMUNITY BUILT ON TRUST, ACCOUNTABILITY AND INCLUSION

CRIMINAL INVESTIGATIONS DIVISION

MEMORANDUM

To: Chief David Zibolski

From: Sergeant Tom Morris

Date: 01.24.2023

RE: Alcoholic Beverage License Application, Class "H", Chuck E. Cheese

**Application for a Class "H" Alcoholic Beverage License from
CEC Entertainment, LLC d/b/a Chuck E. Cheese to be located at 1202 Nodak Drive, Fargo.**

In accordance with Section 25-1505 of the Fargo Municipal Code, I have conducted an investigation into the character, reputation and fitness of the applicant(s) listed on the supplied application.

During this investigation, I examined the applicants' credit reports and public record criminal backgrounds.

The following information was discovered through this investigation:

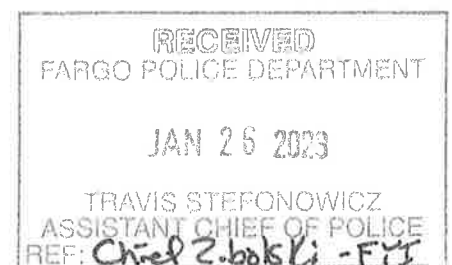
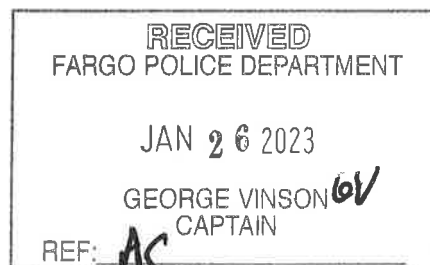
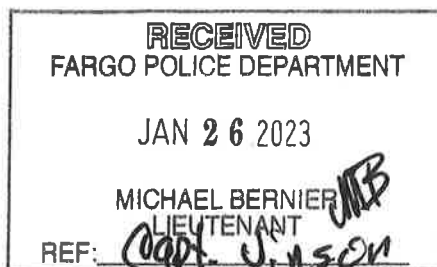
Deck, David – Owner/Manager

Criminal History-

A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov), Minnesota public records (<https://chs.state.mn.us/>) and a Texas public internet search showed no criminal activity.

Credit History-

David Deck's credit report was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.



Kosanke, Kelsey – Owner/Manager – Maiden/Previous Name (Emerfoll)

Criminal History-

A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov) and Minnesota public records (https://chs.state.mn.us/) showed no criminal activity.

Credit History-

Kelsey Kosanke's credit report was reviewed. An Experian credit report ran on 1/23/23 showed four student loans that were paid off in 2020, but were in collection status prior to that. A CB Indigo loan that was charged off in 2022, but was delinquent 150 days prior to that. A United Accounts Inc. loan in the amount of \$254.00 that is in collection status. No other areas of concern were noted.

Investigation Notes

This application is for a class "H" alcoholic beverage license (Authorizes the licensee to sell beer "on-sale" only, no bar area allowed. Requires 50% or more of its annual gross receipts from the sale of prepared meals and food products and not from the sale of alcoholic beverages.) for CEC Entertainment, LLC d/b/a Chuck E. Cheese located at 1202 Nodak Drive, Fargo, ND.

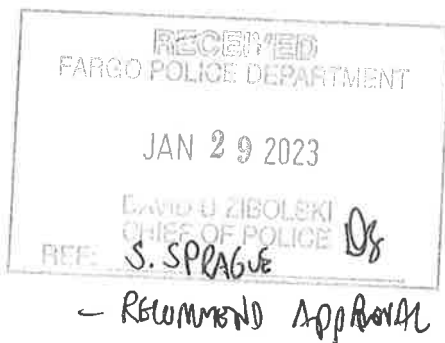
I spoke with Kelsey in regards to her credit report. Kelsey said she was not working that much at the time and was not able to make the payments. She has taken care of all the loans now except the United Accounts loan for \$254.00; she said she is working on that one now to get it paid. Kelsey was polite and forthcoming during our conversation.

Business Location

Chuck E. Cheese is located at 1202 Nodak Drive Fargo, ND. Other business in the area with alcoholic beverage licenses include Sickies Garage Burgers & Brews, Ramada by Wyndham, Crooked Pint Ale House and Country Inn & Suites.

Conclusion

This background investigation is being forwarded for your review and recommendation to the City of Fargo Liquor Control Board.



A large, stylized handwritten signature in black ink, appearing to be "T. Zibolski".

Memorandum

To: Mayor and City Commissioners
From: Jeremy M. Gorden, PE, PTOE
Division Engineer - Transportation
Date: February 16, 2023
Re: Project Update – 32nd Avenue South Reconstruction Project – Phase 2
22nd Street to University Drive
City of Fargo Improvement District No. BR-23-G0

Last fall we solicited proposals from engineering firms to design the stretch of 32nd Avenue South from 22nd Street to University Drive. We selected Apex Engineering Group to complete this work, and they have been working diligently on the project.

My intent for this agenda item is to make you aware of the project development to date, its timeline, highlight the issues/opportunities associated with the project, and answer any questions that you may have. I have attached the draft design layout to this letter. This project is tied to a storm water lift station replacement project closer to the Red River on 32nd Avenue South. There will be a break point between the two projects and it will be located near the 11th Street intersection between University Drive and the river.

Staff has evaluated the recently updated traffic study by Apex Engineering and are recommending that it remain a 5-lane arterial that will include center landscaped medians, with exception to the block between University Drive and 15th Street. This block will be modified to make room on the north boulevard for snow storage and for a widened sidewalk. The updated traffic study is attached for your reference.

The current roadway was constructed in the late 1980's and the pavement has reached the end of its useful life. In addition to new concrete pavement, the other important aspects of the project include adding storm sewer capacity (adding a 2nd trunk storm sewer line to the river), replacing the existing watermain, replacing/rehabbing the existing sewer line, improving the sight lines for mainline left turn movements, widening the existing sidewalk on the north side of the roadway from the Milwaukee Trail underpass location to University Drive and replacing the traffic signals and street lights.

The proposed roadway design was influenced by public input received on the previous 32nd Avenue project as well as various studies and master plans. It is also a complete streets approach as it balances the needs of a heavily used vehicle route that is critical to south-Fargo residents and businesses along with other users, such as transit, bicyclists, and pedestrians. The improvements planned with the proposed design will maintain vehicle capacity while improving green spaces and plantings along the corridor. The proposed roadway ends up being 10' narrower than what it is today, which creates additional boulevard width and provides a better pedestrian environment by creating additional green space buffer between vehicles and pedestrians. The narrower roadway also allows for decreased crossing distances for pedestrians crossing at

intersections and allows for wider paths to promote crossings at the grade separated crossing that exists at the Milwaukee Trail crossing.

The block between University Drive and 15th Street will see the biggest change. Our design will be more intuitive than what it is today. There will no longer be a mandatory lane shift as eastbound vehicles approach University Drive to turn north onto University Drive. Please refer to the attached design layout for further details.

We will be improving the sightlines north & south on University Drive for left turn movements, and we plan on making the southbound right lane on University Drive a dedicated right turn lane and not allow it to continue south through the intersection. This will clear up any confusion that may be occurring there today, as well as regaining boulevard space on the west boulevard a few hundred feet south of the intersection.

The plan is to have final plans completed by mid-August and a bid opening in November of this year.

At the meeting, I will be providing a 3D virtual drive-thru video of the corridor with the proposed improvements discussed, as well as a short presentation.

Please review the attachments and I look forward to discussing this project with you and answering any questions that you may have.

Recommended Motion

None anticipated.

Attachments:

32nd Avenue design layouts

Updated Traffic Study memo



Water | Transportation | Municipal | Facilities



Engineering Department
225 4th Street North
Fargo, ND 58102

Memorandum

32nd Ave South Reconstruction | 22nd Street to University Drive
City of Fargo Project No. BR-23-G0
NDDOT Project No. SU-8-984(169) | PCN 22925

To: Brenda Derrig, PE – City of Fargo
Jeremy Gorden, PE, PTOE – City of Fargo

Re: Traffic Operations Review

Date: December 20, 2022

1.0 Introduction

The purpose of this memo is to provide a traffic operations analysis and recommendations for 32nd Avenue South from 22nd Street to University Drive in Fargo, ND.

A Traffic Operations Report was completed in April 2021 for 32nd Avenue South from 32nd Street to the Red River. The Report recommended 32nd Avenue South be reconstructed as either a 4-lane divided street with medians and left turn lanes or 5-lane undivided street with flush median and Two Way Left Turn Lane (TWLTL). A 4-lane divided street was recommended as it was consistent with the existing section and with the rest of the corridor throughout the City and provided the best level of service at higher traffic volumes. During the preliminary engineering process there were several revisions to the design alternatives based on discussion with, and direction from, City Engineering staff and the City Commission. The revisions were based on factors such as preserving existing trees and improving pedestrian facilities in addition to balancing vehicle operations. In July 2021 the Commission selected the 5-lane undivided street with flush median and TWLTL alternative to move forward.

The selected 5-lane alternative includes 11 foot wide driving lanes and a 12 foot TWLTL. This alternative will reduce the overall width of the street by 10 feet compared to the existing street, providing additional boulevard space and improving the pedestrian/bicycle facilities with a path on the north side of the street from the Milwaukee Trail to University Drive and shortening the pedestrian crossing distance across the street. The alternative will also consider changes between 15th Street South and University Drive to include only one westbound lane and reconfiguring the eastbound lanes to eliminate the shift for through traffic and add a dedicated right turn lane.

The corridor was split into two segments for design and construction projects. The first segment, from 32nd Street to 22nd Street, is scheduled for construction in 2023 and the second segment, from 22nd Street to University Drive, is scheduled for construction 2024-25.

The City of Fargo has requested analysis of the segment from 22nd Street to University Drive with updated traffic data prior to final design plans being prepared for the project. This memo will evaluate if the selected alternative is the most appropriate design or if another viable alternative exists for the required capacity of the corridor and discuss other factors that should be considered in the selected corridor configuration.

2.0 Analysis

2.1 Average Annual Daily Traffic

For the April 2021 Report, the most recent Average Annual Daily Traffic (AADT) counts available from NDDOT on the corridor were collected in 2018. Typically, NDDOT would have collected volume counts in 2020 but that effort was delayed due to the uncertainty created by the COVID-19 pandemic. As a result, NDDOT then collected AADT counts throughout the Fargo area in 2021 as traffic volumes had appeared to stabilize.

From 2018 to 2021, AADT reduced 8-15% between 22nd Street and University Drive. The reduced volume of traffic is comparable to what has been observed throughout the region. There is some confidence that traffic will continue to generally increase as the population of the area increases, however, we may not see the ultimate future volumes that were projected based on pre-pandemic traffic data.

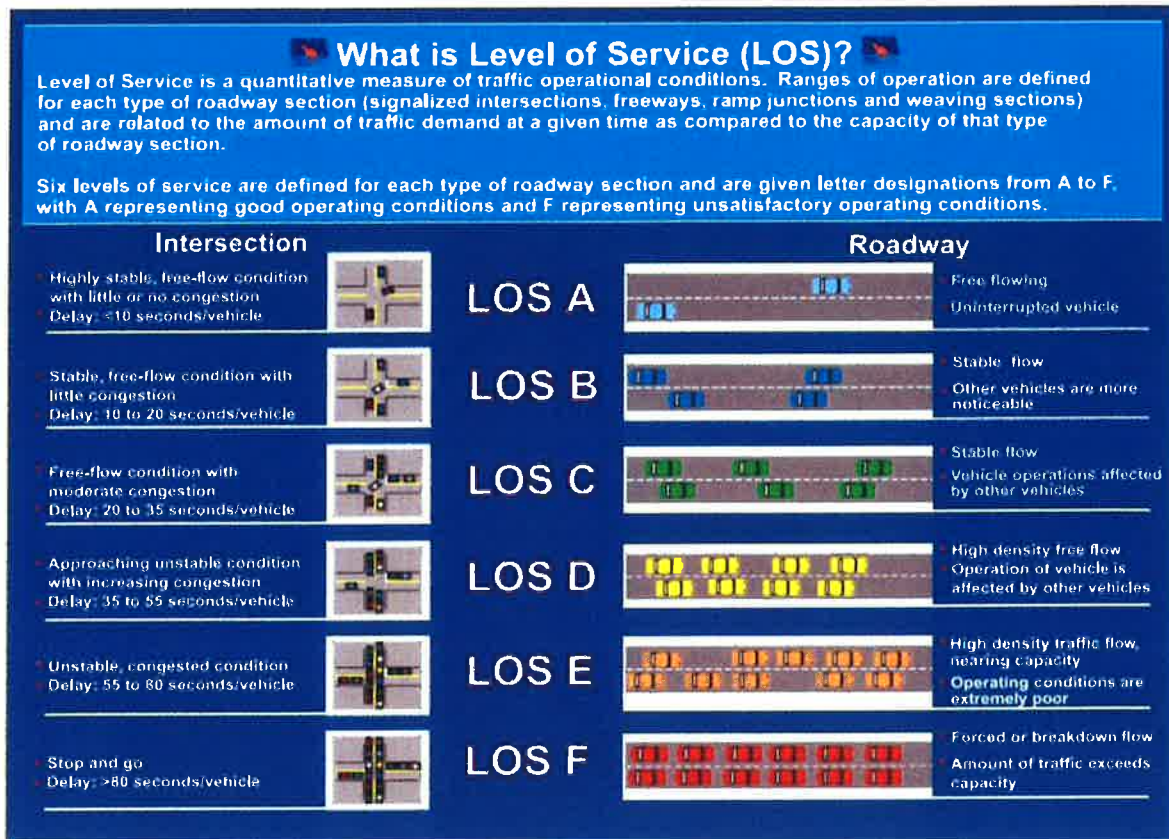
This corridor is essentially built out with a mix of residential and commercial land uses. Traffic volumes are not expected to drastically change without a change in land use. Future traffic volumes for the year 2045 have been projected based on using the average of the 2018 and 2021 counts as a baseline, and a 0.5% average annual growth rate for the year 2045.

32 nd Avenue South Location	2018 AADT	2021 AADT	2045 AADT
22 nd St to 18 th St	14,895	12,675	15,460
18 th St to 15 th St	14,840	12,645	15,415
15 th St to Univ Drive	11,280	10,395	12,155

2.2 Corridor Capacity

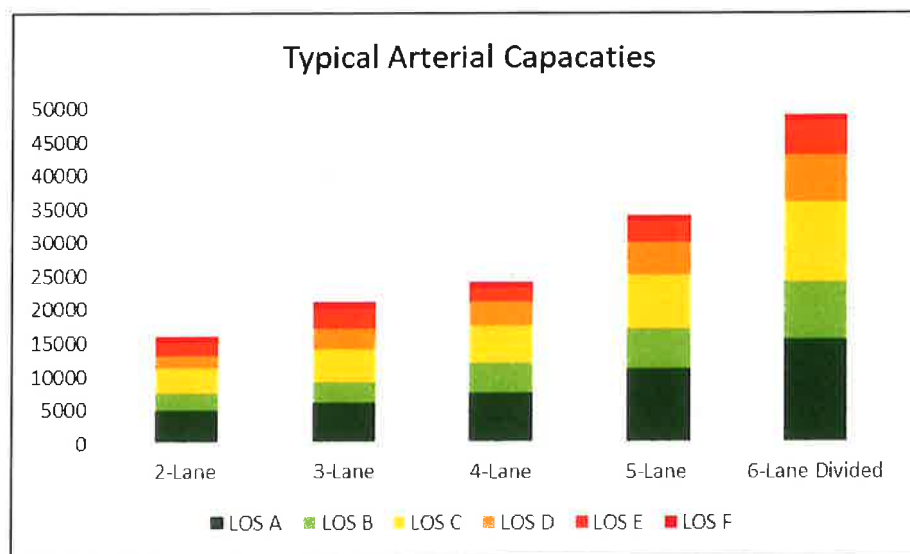
The planning-level maximum capacity estimate for an urban 5-lane undivided street with center two-way-left-turn-lane (TWLTL) is approximately 25,000 – 30,000 vehicles per day. Roadways can be considered for a 3-lane configuration if there are less than 20,000 vehicles per day, although traffic flow will not be the same as a 5-lane roadway under the same traffic volume. There are additional factors beyond traffic volume that affect how well the roadway will operate.

Traffic flow on an urban arterial street is considered “interrupted flow” where traffic is intentionally stopped for a period of time by traffic control devices such as stop signs or signals. Level of Service (LOS) on an urban street facility is primarily influenced by the vehicle Level of Service experienced at intersections. LOS for the corridor is also affected by factors such as intersection geometry, lane width, turning movements, terrain, intersection spacing, traffic speeds, vehicle types, as well as bicycle/pedestrian/transit characteristics.



Source: Maryland Department of Transportation

The example graphic below shows planning-level capacity as it relates to the Level of Service for different arterial street configurations developed from calculations based on NCHRP report 365. In this example the highest forecasted traffic volume of 15,460 in the project area on 32nd Avenue South would fall in the range of a LOS D range for a 3-lane and a LOS C for a 5-lane.



Corridor operations can also be represented by the traffic volume (V) that can be accommodated before approaching the capacity limit (C) and beginning to experience a breakdown in traffic flow. A roadway segment is determined to be “approaching capacity” when the daily traffic volume reaches 85% of the daily capacity ($V/C \geq 0.85$). At this point traffic flow will become unstable and driver comfort levels decrease with increased congestion and delay. When the amount of traffic exceeds the capacity ($V/C \geq 1.0$) flow will breakdown and become a stop-and-go traffic jam.

The 85% capacity threshold is approximately 14,450 for a 3-lane section and 25,500 for a 5-lane section. The segments of 32nd Avenue South from 22nd Street South to 15th Street South could exceed the 85% V/C threshold for a 3-lane section by the year 2045, while remaining well below the threshold of a 5-lane section.

2045 Corridor Daily Volume to Capacity Analysis					
32nd Avenue South Location		3-Lane Alternative		5-Lane Alternative	
Segment	2045 AADT (V)	Estimated Capacity (C)	V/C Ratio	Estimated Capacity (C)	V/C Ratio
22 nd St to 18 th St	15,460	17,000	0.91	30,000	0.52
18 th St to 15 th St	15,415	17,000	0.91	30,000	0.51
15 th St to Univ Dr	12,155	17,000	0.72	30,000	0.41

2.3 Intersection Level of Service

To complete the Intersection Level of Service analysis, vehicle Turning Movement Counts (TMC's) were collected in September 2020 at three signalized intersections on 32nd Avenue South. The PM peak hour counts were then forecasted for the year 2045 and modeled using Synchro/SimTraffic to determine the Level of Service at each intersection.

2045 Intersection Operation Analysis											
32 nd Avenue South Location		3-Lane Alternative					5-Lane Alternative				
Intersection	Approach	Queue (ft)	Delay (Sec)	LOS	Delay (Sec)	LOS	Queue (ft)	Delay (Sec)	LOS	Delay (Sec)	LOS
18 th Street	EB	476	24	C	23	C	174	10	B	12	B
	WB	427	22	C			179	11	B		
	NB	95	22	C			88	19	B		
	SB	107	24	C			114	23	C		
15 th Street	EB	411	40	D	23	C	194	23	C	19	B
	WB	254	34	C			165	16	B		
	NB	166	18	B			191	21	C		
	SB	68	24	C			74	10	B		
University Drive	EB	259	40	D	26	C	267	40	D	25	C
	WB	92	36	D			98	38	D		
	NB	204	18	B			211	17	B		
	SB	447	24	C			426	22	C		

Each of the intersections operate at an overall acceptable level under peak hour traffic in the both a 3-lane and 5-lane configuration. However, a 3-lane configuration would experience longer queues that could lead to blocking of downstream access points.

NDDOT's guideline for right turn lanes at signalized intersections on a 35 mph corridor is 200 vehicles per hour. None of the key intersections meet the minimum required volume to warrant a turn lane, however the addition of right turn lanes could reduce queueing and delay at the intersections within the project corridor.

2.3 Additional Considerations

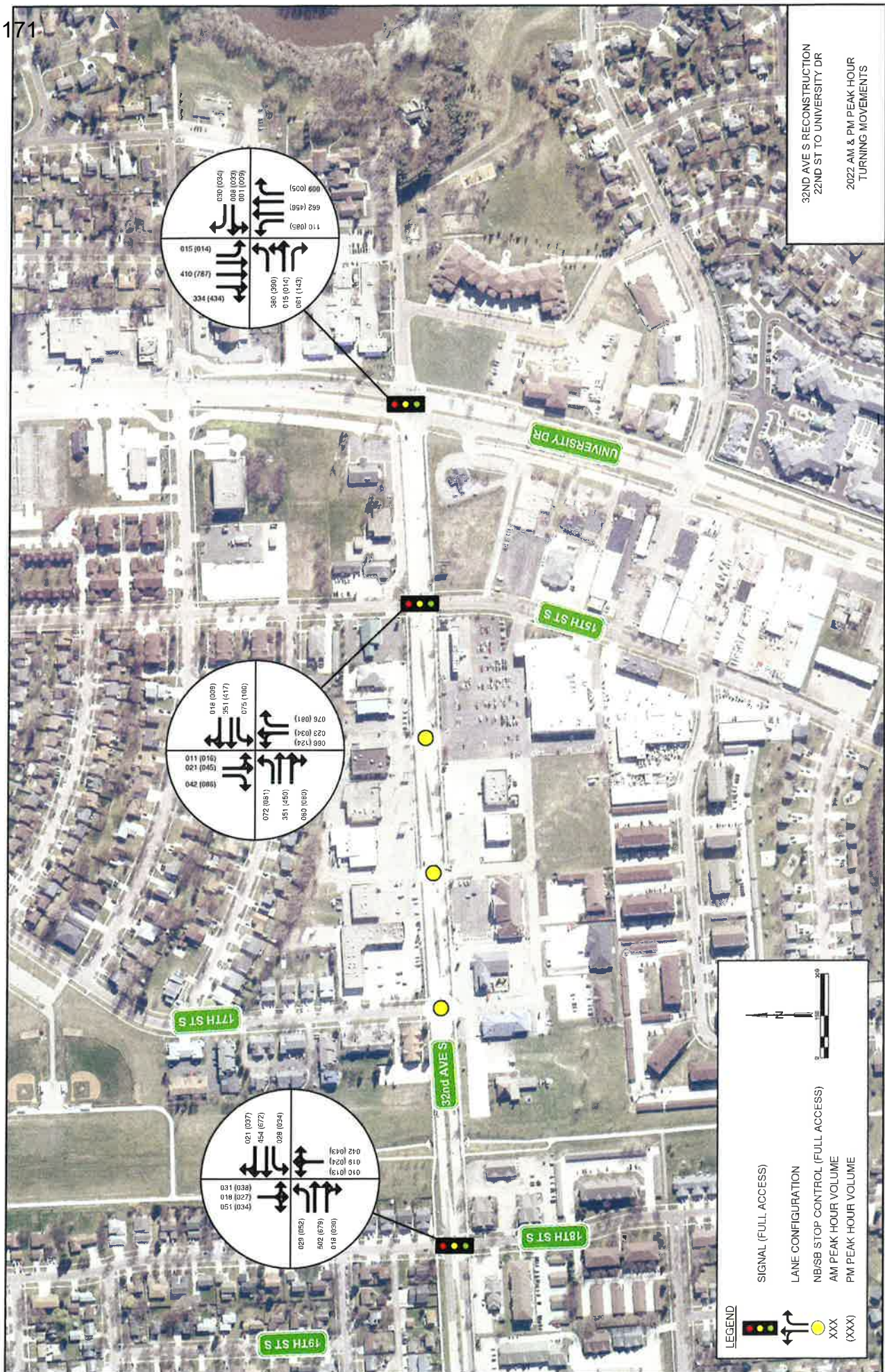
Along with Traffic Capacity and Level of Service (LOS), there are other considerations when selecting an alternative:

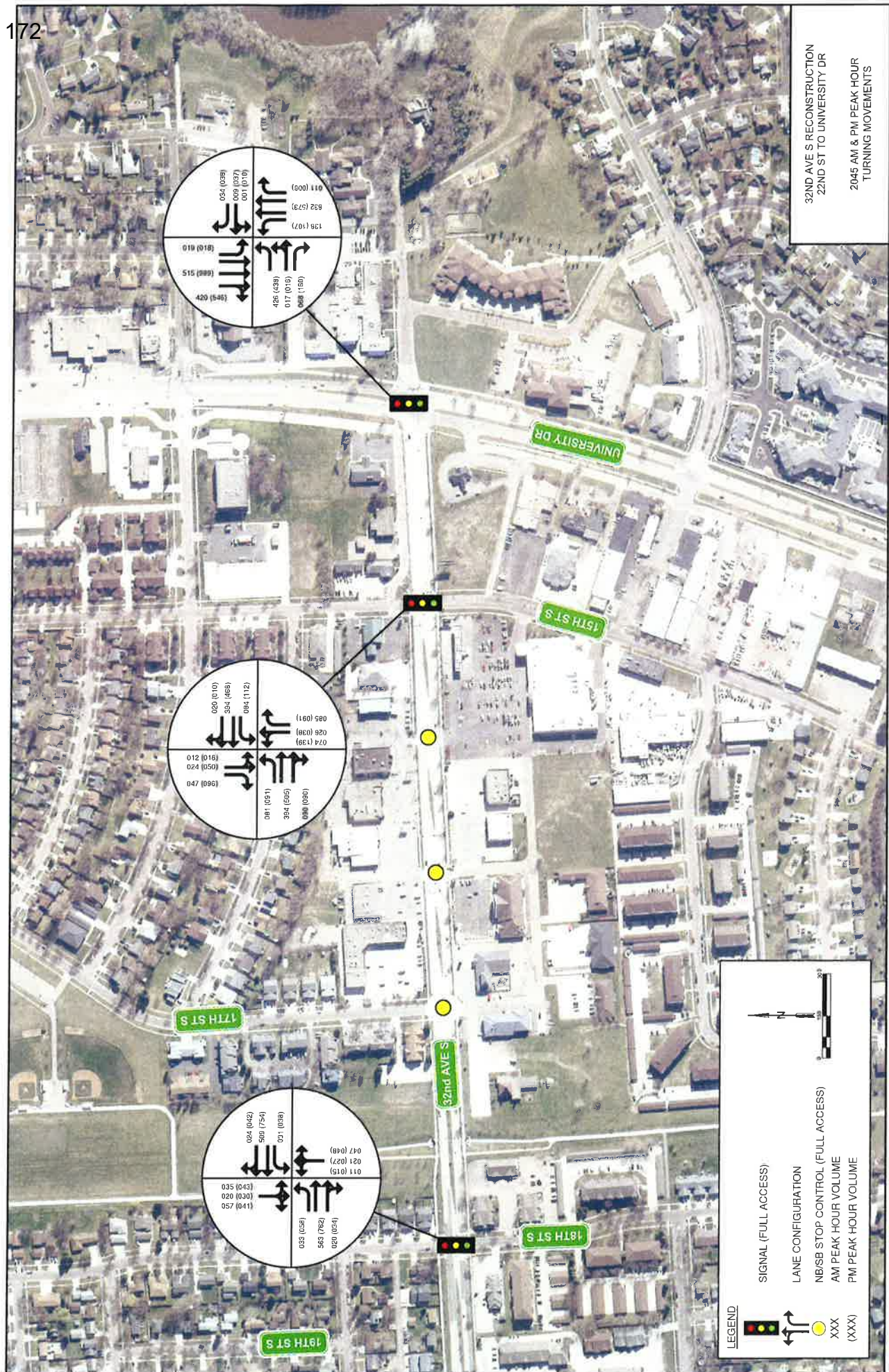
- **Location and Operational Reliability:** 32nd Avenue South is a minor arterial roadway located along a section line. It provides a direct connection between I-29, 25th Street, and University Drive (Business US 81) with several hospitals along the corridor. A 3-lane section with only one lane in each direction would experience significant traffic disruptions if the lane was closed for maintenance, emergencies, etc. The nearby parallel routes for diverting traffic during a lane closure are primarily two-lane streets through residential areas with poor connectivity between I-29 and University Drive. A 5-lane section provides greater operational reliability.
- **Pedestrian Improvements:** a 3-lane section provides more boulevard space and shorter intersection crossing distances with less lanes and potential vehicle/pedestrian conflicts.
- **Transit:** MATBUS operates Route 14 along both directions of 32nd Avenue South, with multiple stops between 22nd Street and University Drive. Busses are able to use the outside lane of a 5-lane section at these stops to allow traffic to continue on the inside lane. For a 3-lane section, MATBUS would need to consider altering the route. Buss pull-out areas at each stop could be considered but it would increase the cost and MATBUS has stated they prefer not to use these because it can be troublesome to merge back into the flow of traffic.
- **Access:** there are 3 unsignalized access points on each side of 32nd Avenue S west of 15th Street South that are spaced 450 feet apart. This does not meet the desired spacing of 600 feet per access. Vehicles entering/exiting these access points would disrupt the flow of traffic more in a 3-lane scenario than a 5-lane.
- **Stormwater Drainage:** a 5-lane section will allow the outside lanes to flood with stormwater during certain rain events and still have the inside lanes clear of water and available to traffic. A 3-lane section would have no through lanes clear of water during the same rain event with the same stormwater drainage system.
- **Winter Operations:** A 3-lane section would provide additional boulevard space for snow storage and would be less lanes to clear of snow during a snow event. However, a 5-lane section would allow the outside lanes to become drifted shut with snow and still have the inside lanes clear to traffic while the outside lanes are cleared after the storm.

3.0 Conclusion

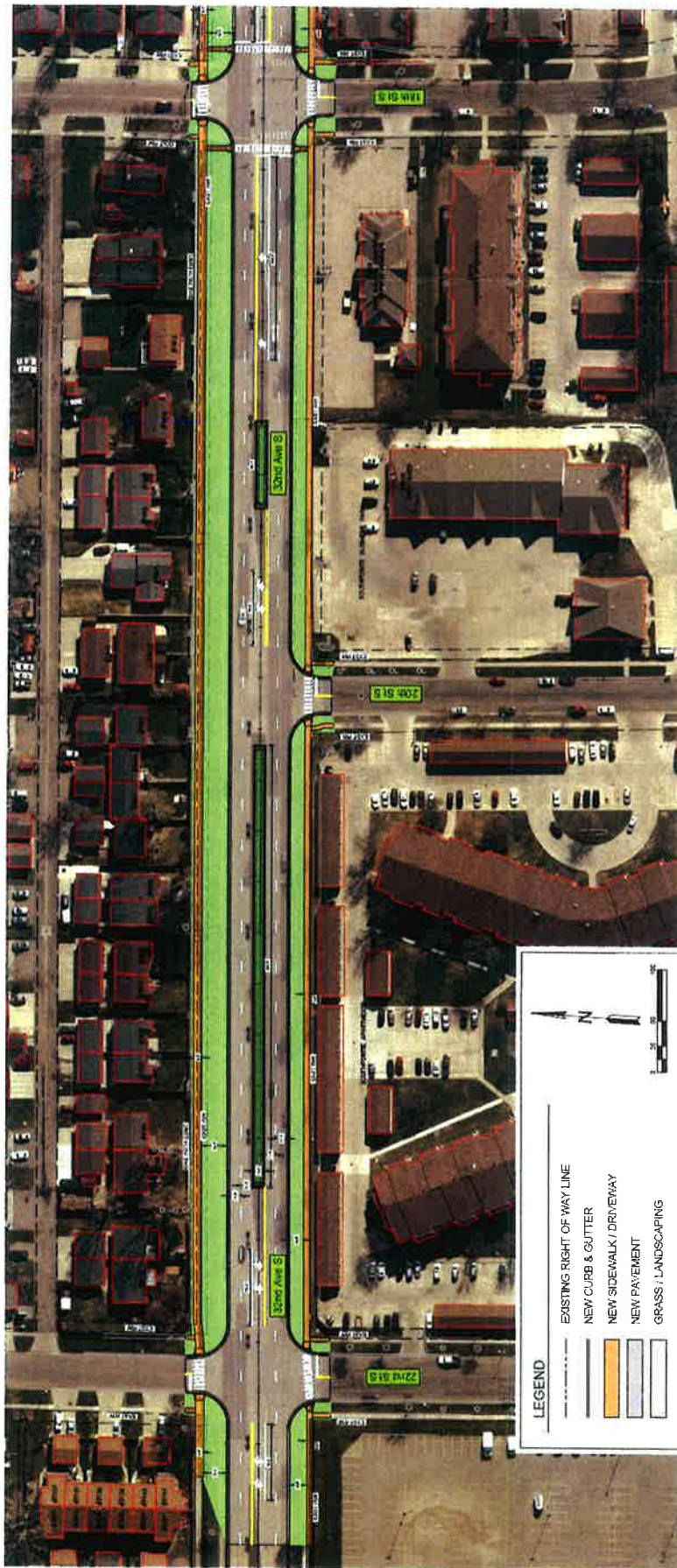
A traffic analysis was conducted along 32nd Avenue South between 22nd Street and University Drive. Average Annual Daily Traffic volumes and intersection turning movement counts were collected and forecast to the year 2045. The projected future AADT between 18th Street and 15th Street will approach the ultimate capacity of a 3-lane section and experience a more significant breakdown in traffic flow than a 5-lane section. Both lane configurations provide an acceptable intersection Level of Service, however there are queueing issues that could occur with a 3-lane section, contributing to a breakdown in traffic flow and blocking unsignalized intersections. Considering these operational issues along with additional factors including reliability, transit and emergency response disruptions, access density, stormwater drainage, and winter operations a 5-lane section with center Two-Way Left Turn Lane would be preferred for this segment of 32nd Avenue South.

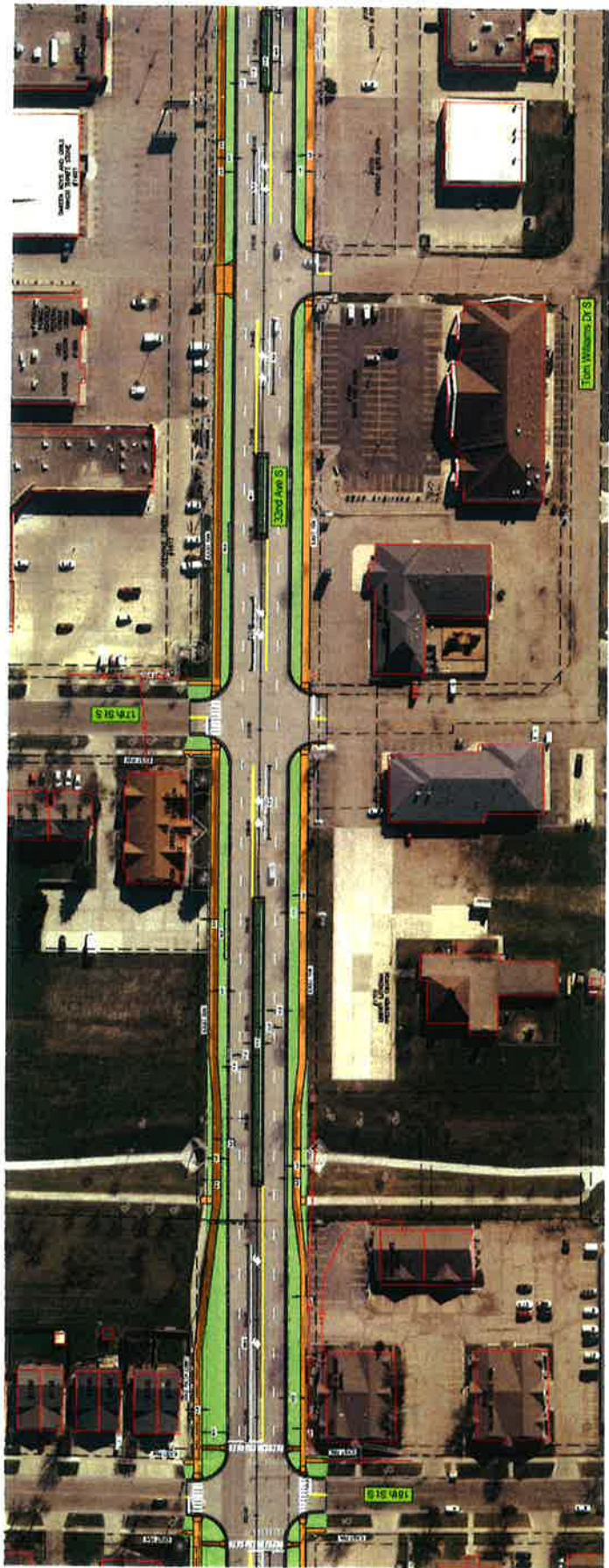






32nd Avenue S Street Reconstruction Project
22nd Street to University Drive
Improvement District No. BR-23-G0











John Strand, City Commissioner

Fargo City Hall

225 4th Street North

Fargo, ND 58102-4817

Phone: 701.715.3269 | Fax: 701.476.4136

Email: JStrand@FargoND.gov

www.FargoND.gov

February 16, 2023

MEMORANDUM

To: City Commission
From: John Strand, Chair of Sustainability and Resiliency Committee (SRC)
Subject: SRC Membership Expansion

At the November 22, 2022, SRC meeting, I informed the committee that I have been contacted by several members of the public expressing an interest in serving on the SRC when an opportunity becomes available. Additionally, I feel representation from Public Transit and the Fargo Youth Initiative would also be appropriate. A committee discussion ensued about a potential membership expansion and whether the additions should include members of the public, City staff or a combination of both. The general consensus of the SRC was a combination of both would be appropriate at this time.

History:

On December 28, 2020, the City Commission approved a number of staff appointments and a public solicitation process for at-large appointments to the newly formed SRC. The appointments also included several ex-officio members representing Xcel Energy, Cass County Electric Cooperative, Fargo Park District and the Fargo School District. The SRC's purpose was to make recommendations to the City Commission regarding policies or actions related to climate resiliency, renewable energy, emissions reductions, energy efficiency and environmental stewardship.

Based on previous City Commission action, the current appointments to the SRC are shown below:

SRC Appointed Members:

John Strand – Commissioner (Chair)	Nicole Crutchfield – Director of Planning and Development
Tim Mahoney – Mayor	Ben Dow – Public Works Director
Bruce Grubb – PT Administrator	Bekki Majarus – Director of Facilities Management
Brenda Derrig – City Engineer	Shawn Ouradnik – Inspections Director
Public At-large – Greta Gramig	
Public At-large – Jennifer Sweatman	
Public At-large – Casey Steele	

SRC Ex Officio Members (non-voting):

Xcel Energy Representative – Shawn Paschke
Cass County Electric Cooperative Representative – Paul Matthys
Fargo School District Representative – Open (Director of Maintenance & Operations)
Fargo Park District Representative – Dave Leker

SRC Membership Expansion:

Due to expressed interest, it is my recommendation to add four new committee members to the SRC consisting of two public at-large members and two City staff members.

- **Public At-large Appointments** – Public Solicitation of Interest followed by selection process
- **City Staff Appointments** – Public Transit and Fargo Youth Initiative

Suggested Motion:

Appoint a staff member from Public Transit and the Fargo Youth Initiative to the SRC and authorize a public solicitation of interest for two additional Public At-large appointments.



37a

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 725 18 St N as submitted by Bussinger Properties. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$7,774 with the City of Fargo's share being \$1,321.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Lot 1-4, and Lot 15-18 including abutting vacated alley west of lots 1-4, Block 2, Bowers Addition
2. Address of Property 725 18th Street North
3. Parcel Number 01-0240-00200-000
4. Name of Property Owner Bussinger Properties II LLLP Phone No. 701-367-5292
5. Mailing Address of Property Owner 1506 7th St S, Fargo, ND 58103

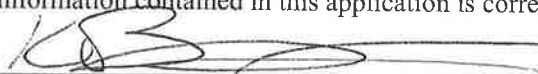
Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Remodel of warehouse dock facility into office and warehouse spaces. Addition on East end.
7. Building permit No. 2104-0537-ADD 8. Year built (residential property) 1957
9. Date of commencement of making the improvements 03/01/2022
10. Estimated market value of property before the improvements \$ 300,000.00
11. Cost of making the improvement (all labor, material and overhead) \$ 450,000.00
12. Estimated market value of property after the improvements \$ 750,000.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant



Date

1/24/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization



Date

2-9-23

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions: _____

Exemption is allowed for years 20____, 20____, 20____, 20____, 20____.

Chairperson

Date



(376)

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1212 7 St S as submitted by Melissa and Aaron Rohrich. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$162 with the City of Fargo's share being \$28.

Sincerely,

A handwritten signature in black ink that reads "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

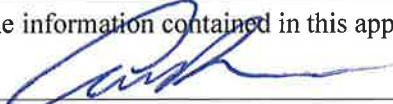
Property Identification

1. Legal description of the property for which exemption is claimed Blk NN, Lot 18,19 & 20, Erskines
2. Address of Property 1212 7 St S
3. Parcel Number 01-0780-01230-000
4. Name of Property Owner Melissa & Aaron Rohrich Phone No. 701-799-1006
5. Mailing Address of Property Owner 1212 7 St S

Description Of Improvements For Exemption


6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Finish lower level, remodel upper BATH
7. Building permit No. 2202-0020 8. Year built (residential property) 1914
9. Date of commencement of making the improvements FEB 2022
10. Estimated market value of property before the improvements \$ 452,500.00
11. Cost of making the improvement (all labor, material and overhead) \$ 52,000.-
12. Estimated market value of property after the improvements \$ \$510,000.-

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
Applicant  Date 1-30-23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization  Date 2-9-23

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20 , 20 , 20 , 20 , 20 .
Chairperson Date



February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3619 River Dr. S as submitted by Michael and Carly Gunderson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$125 with the City of Fargo's share being \$21.

Sincerely,

A handwritten signature in black ink that reads "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed

Lot 11; Block 4 Lemke Addition2. Address of Property 3619 River Dr. S.3. Parcel Number 01-1710-00458-0004. Name of Property Owner Michael & Carly Gunnerson Phone No. 651/353-28215. Mailing Address of Property Owner Same**Description Of Improvements For Exemption**6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Basement Finish7. Building permit No. 221008348. Year built (residential property) 19759. Date of commencement of making the improvements 10/24/2210. Estimated market value of property before the improvements \$ 318,80011. Cost of making the improvement (all labor, material and overhead) \$ 48,00012. Estimated market value of property after the improvements \$ 328,000**Applicant's Certification And Signature**

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [Signature]Date 1/26/23**Assessor's Determination And Signature**

14. The assessor/county director of tax equalization finds that the improvements described in this application

do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):Assessor/Director of Tax Equalization [Signature]Date 2-9-23**Action Of Governing Body**

15. Action taken on this application by the governing board of the county or city:

Approved ☐ Denied ☐

Approval is subject to the following conditions:

Exemption is allowed for years 20__, 20__, 20__, 20__, 20__.

Chairperson _____

Date _____



37d

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1322 15 St S as submitted by Matthew Graber. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$490 with the City of Fargo's share being \$83.

Sincerely,

A handwritten signature in black ink that reads "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)


Property Identification

1. Legal description of the property for which exemption is claimed Blk 4, Lot 21, Morton & Dotys
2. Address of Property 1322 15 St S
3. Parcel Number 01-2040-00950-000
4. Name of Property Owner Matthew Graber Phone No. _____
5. Mailing Address of Property Owner 1322 15 St S

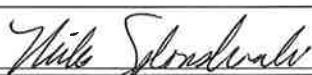
Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Addition
7. Building permit No. 2105-0511 8. Year built (residential property) 1950
9. Date of commencement of making the improvements 7-1-2023
10. Estimated market value of property before the improvements \$ 98,700.00
11. Cost of making the improvement (all labor, material and overhead) \$ 110,000
12. Estimated market value of property after the improvements \$ 240,000 - 280,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
Applicant  Date 1-26-2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____
Assessor/Director of Tax Equalization  Date 2-9-23

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions: _____
Exemption is allowed for years 20____, 20____, 20____, 20____, 20____.
Chairperson _____ Date _____



37e

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2402 8 Ave N as submitted by Northern Property Group LLC. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$5,350 with the City of Fargo's share being \$909.

Sincerely,

A handwritten signature in black ink that reads "Mike Splonskowski". The signature is written in a cursive, flowing style.

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Lot:16 Block:0 Addition: Beardsleys
First Industrial Additional: FIRST INDUSTRIAL SUB LOTS 17&18 & N188' LOT 16
2. Address of Property 2402 8th Ave N Fargo, ND 58102
3. Parcel Number 01-0101-00080-000
4. Name of Property Owner Northern Property Group LLC Phone No. 701-371-0107
5. Mailing Address of Property Owner PO Box 760 Hawley, MN 56549

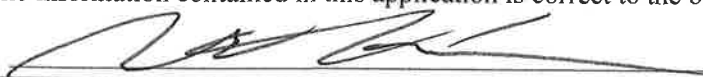
Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). New eletrical throughout, Remodeled/Added office space
7. Building permit No. 2206-0756-REN 8. Year built (residential property) 1974
9. Date of commencement of making the improvements 06/28/2022
10. Estimated market value of property before the improvements \$ 1,950,000.00
11. Cost of making the improvement (all labor, material and overhead) \$ 1,306,302.00
12. Estimated market value of property after the improvements \$ 3,175,000.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant



Date

1/26/23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization



Date

2-9-23

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions: _____

Exemption is allowed for years 20____, 20____, 20____, 20____, 20____.

Chairperson _____

Date _____



37f

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1621 10 Ave S as submitted by Ole Thomassen. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$95 with the City of Fargo's share being \$16.

Sincerely,

A handwritten signature in black ink that reads "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 7, Lot W 45 Ft of 9, Darlings 2nd
2. Address of Property 1621 10 Ave S
3. Parcel Number 01-0560-01540-000
4. Name of Property Owner Ole Thomassen Phone No. 701 741 7848
5. Mailing Address of Property Owner 1621 10 Ave S

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Add bath to lower level and installed egress window in lower bedroom. Neighborhood Revitalization Initiative
7. Building permit No. 2209-0643 8. Year built (residential property) 1955
9. Date of commencement of making the improvements 9/30/2022
10. Estimated market value of property before the improvements \$ 162,300.00
11. Cost of making the improvement (all labor, material and overhead) \$ 43,341.00
12. Estimated market value of property after the improvements \$ 235,000.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
Applicant Ole Thomassen Date 2/3/23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):
Assessor/Director of Tax Equalization Mike Sclander Date 2-9-23

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:
Exemption is allowed for years 20__, 20__, 20__, 20__, 20__.
Chairperson _____ Date _____



A handwritten signature, possibly "E. J. G.", enclosed within a hand-drawn oval.

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 4111 15 St S as submitted by Jeremy and Renne Leiviska. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$210 with the City of Fargo's share being \$36.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Lot 10; Block 2 Rosewood Park
2. Address of Property 4111 15th St S
3. Parcel Number 01-24900320-000
4. Name of Property Owner Jeremy & Renne Leiviska Phone No. 760/521-2958
5. Mailing Address of Property Owner 4111 15th St S

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Finish Portion of Lower Level
7. Building permit No. 21060755 8. Year built (residential property) 1993
9. Date of commencement of making the improvements 06/22/2021
10. Estimated market value of property before the improvements \$ 538,560
11. Cost of making the improvement (all labor, material and overhead) \$ 10,000
12. Estimated market value of property after the improvements \$ 554,000

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant [Signature]Date 2-1-2023**Assessor's Determination And Signature**

14. The assessor/county director of tax equalization finds that the improvements described in this application
do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization [Signature]Date 2-9-23**Action Of Governing Body**

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions: _____

Exemption is allowed for years 20 __, 20 __, 20 __, 20 __, 20 __.

Chairperson _____

Date _____



(37h)

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 513 20 Ave N as submitted by Timothy and Maria Olson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$65 with the City of Fargo's share being \$11.

Sincerely,

A handwritten signature in black ink that reads "Mike Splonskowski". The signature is written in a cursive, flowing style.

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification


1. Legal description of the property for which exemption is claimed Blk 2, Lot 33, Halland Newman 1st
2. Address of Property 513 20 Ave N
3. Parcel Number 01-1100-00670-000
4. Name of Property Owner Timothy & Maria Olson Phone No. 701-269-0492
5. Mailing Address of Property Owner 513 20 Ave N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Bath remodel
7. Building permit No. 2010-0941 8. Year built (residential property) 1951
9. Date of commencement of making the improvements _____
10. Estimated market value of property before the improvements \$ 161,200.00
11. Cost of making the improvement (all labor, material and overhead) \$ 13,000
12. Estimated market value of property after the improvements \$ _____


Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant Date 1-11-23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization Date 2-9-23

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions: _____

Exemption is allowed for years 20____, 20____, 20____, 20____, 20____.

Chairperson _____

Date _____



376

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3340 17 Ave S Unit 102 as submitted by Donald Geigle. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$133 with the City of Fargo's share being \$23.

Sincerely,

A handwritten signature in black ink that reads "Mike Splonskowski".

Mike Splonskowski
City Assessor

nib
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 1 & N 40 Ft of 2, Dakota Land
2. Address of Property 3340 17 Ave S Unit 102
3. Parcel Number 01-0530-00650-020
4. Name of Property Owner Donald Geigle Phone No. 701-306-7108
5. Mailing Address of Property Owner 3340 17 Ave S Unit 102

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Drywall kitchen, utility room and entryway repairs from water damage due to condo above had water leak from washing machine
7. Building permit No. 2209-1035 8. Year built (residential property) 1986
9. Date of commencement of making the improvements 10/2022
10. Estimated market value of property before the improvements \$ 189,300.00
11. Cost of making the improvement (all labor, material and overhead) \$ \$ ~10,000 Insurance \$500 Deductible for condo owner
12. Estimated market value of property after the improvements \$ N/A

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant

Donald Geigle

Date

2-1-2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization

Mike Johnson

Date

2-9-23

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20 __, 20 __, 20 __, 20 __, 20 __.

Chairperson

Date



37j

February 7, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 4833 Meadow Creek Dr. S as submitted by Kyle and Danielle Oetjer. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$273 with the City of Fargo's share being \$46.

Sincerely,

A handwritten signature in black ink that reads "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)


Property Identification

1. Legal description of the property for which exemption is claimed LOT 30; Block 2 Meadow Creak
2. Address of Property 4833 MEADOW CREEK DR S
3. Parcel Number 22090901 01-1895-00800-000
4. Name of Property Owner Daniell & Keith Oetker Phone No. _____
5. Mailing Address of Property Owner 4833 MEADOW CREEK DR S


Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). KITCHEN REMODEL
7. Building permit No. 22090901 8. Year built (residential property) 1995
9. Date of commencement of making the improvements 09/30/2022
10. Estimated market value of property before the improvements \$ 548,500.00
11. Cost of making the improvement (all labor, material and overhead) \$ 50,000.00
12. Estimated market value of property after the improvements \$ 568,600.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
- Applicant  Date 1/27/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____
- Assessor/Director of Tax Equalization  Date 2-9-23

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
- Approval is subject to the following conditions: _____
- Exemption is allowed for years 20____, 20____, 20____, 20____, 20____.
- Chairperson _____ Date _____



(37K)

January 26, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 2018 8 St N as submitted by Julie Sanderson. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$633 with the City of Fargo's share being \$108.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Blk 3, Lot 6, Peter Sway 1st
2. Address of Property 2018 8 St N
3. Parcel Number 01-3020-00620-000
4. Name of Property Owner Julie Sanderson Phone No. 235-6791
5. Mailing Address of Property Owner 2018 8 St N

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Addition of laundry room and bedroom
7. Building permit No. 2207-1059 8. Year built (residential property) 1953
9. Date of commencement of making the improvements Aug 2022
10. Estimated market value of property before the improvements \$ 174,000.00
11. Cost of making the improvement (all labor, material and overhead) \$ _____
12. Estimated market value of property after the improvements \$ _____

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
Applicant Julie Sanderson Date 1/26/23

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application
do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____
Assessor/Director of Tax Equalization Walter J. Lovelace Jr. Date 1-30-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions: _____
Exemption is allowed for years 20____, 20____, 20____, 20____, 20____.
Chairperson _____ Date _____



378

January 25, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 1604 52 Ave S as submitted by Andrew Snyder. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$1,166 with the City of Fargo's share being \$198.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Lot 11 Block 1 Scilleys
2. Address of Property 1604 52 Ave S
3. Parcel Number 01-2750-00080-000
4. Name of Property Owner Andrew Snyder Phone No. 701-202-5853
5. Mailing Address of Property Owner 1604 52 Ave S

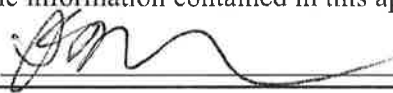
Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Demo and reconstruct west side of home
7. Building permit No. 22050263 8. Year built (residential property) 1973
9. Date of commencement of making the improvements JUNE 2022
10. Estimated market value of property before the improvements \$ _____
11. Cost of making the improvement (all labor, material and overhead) \$ 225,000
12. Estimated market value of property after the improvements \$ _____

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.

Applicant



Date

01/20/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s): _____

Assessor/Director of Tax Equalization



Date

1-30-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions: _____

Exemption is allowed for years 20____, 20____, 20____, 20____, 20____.

Chairperson

Date



(37m)

January 25, 2023

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Chapter 57-02.2 of the North Dakota Century Code provides for a property tax exemption for certain types of improvements made to existing buildings.

I have attached a copy of an application for real estate tax exemption of building improvements for the property at 3830 20 St S as submitted by Benjamin Martin and Kelsey Baker. A description of the property involved, types of improvements to be made, and assessment information are indicated on the application.

It is my opinion that the value of some of the improvements, referred to in the application, qualifies for the exemption. This exemption would be for 5 years.

The estimated annual tax revenue lost by granting the exemption, based upon the estimated cost of the improvements, would be about \$350 with the City of Fargo's share being \$60.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Splonskowski".

Mike Splonskowski
City Assessor

nlb
attachment

Application For Property Tax Exemption For Improvements To Commercial And Residential Buildings

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed Lot 23; Block 10; Prairie Crossing
2. Address of Property 3830 20 ST S
3. Parcel Number 01-2323-01620-000
4. Name of Property Owner Benjamin Martin & Kelsey Baker Phone No. 701-446-7791
5. Mailing Address of Property Owner Same

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). Gutted and remodeled Full bath & Master bath on Upper Levels
7. Building permit No. 21110031 8. Year built (residential property) 1994
9. Date of commencement of making the improvements 11/01/2021
10. Estimated market value of property before the improvements \$ 299,500.00
11. Cost of making the improvement (all labor, material and overhead) \$ 25,000.00
12. Estimated market value of property after the improvements \$ 325,300.00

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.
Applicant Ben Martin Date 1/12/2023

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do ☒ do not ☐ meet the qualifications for exemption for the following reason(s):

Assessor/Director of Tax Equalization Willie Spivey Date 1-30-2023

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved ☐ Denied ☐
Approval is subject to the following conditions:

Exemption is allowed for years 20 __, 20 __, 20 __, 20 __, 20 __.
Chairperson Date