

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, October 8, 2018).

CONSENT AGENDA – APPROVE THE FOLLOWING:

1. 2nd reading and final adoption of the following Ordinances; 1st reading 10/8/18:
 - a. Amending Section 23-0211 of Article 23-02 of Chapter 23 of the Fargo Municipal Code Relating to the Electrical Code.
 - b. Amending Section 8-1009 of Article 8-10 of Chapter 8 of the Fargo Municipal Code Relating to Parking Regulations.
 - c. Amending Sections 38-0101, 38-0103, 38-0105, 38-0106 & 38-0107, of Article 38-01 of Chapter 38 of the Fargo Municipal Code Relating to Street Lighting and Traffic Control Devices System.
 - d. Amending Section 20-0504.G of Article 20-05 of Chapter 20 of the Fargo Municipal Code (Land Development Code) Relating to Measurements and Exemptions.
 - e. Rezoning Certain Parcels of Land Lying in Legacy I 2nd Addition.
 - f. Rezoning a Certain Parcel of Land Lying in Larkin Addition.
2. RFP for Professional Consultant Services for Government Relations and Legislative Advocacy.
3. Agreement with Walker Consultants to provide professional Engineering/Landscape Architecture services to the City of Fargo for the Block 9 Project.
4. Applications for property tax exemptions for improvements made to buildings:
 - a. Bridget N. and Bryan C. Hins, 1461 East Gateway Circle South (5 year).
 - b. Monica A. Killingsworth, 1902 13th Avenue South (5 year).
 - c. Janice Marie Knecht, 1539 14th Street South (5 year).
 - d. Collin R. and Rachel Consdorf, 3534 Par Street North (5 year).
 - e. Donald A. and Sandra E. Andersen, 2838 Southgate Drive South (5 year).
 - f. Terri M. Eckroth, 2711 12th Street South (5 year).
 - g. Donald C. and Jeaninne M. McAllister, 1761 8th Street South (5 year).
 - h. Harlan Herberholz, 1325 10th Street South (5 year).
 - i. Shannon K. Dahms, 1429 7th Street South (5 year).
 - j. Jennifer L. Gruss, 1514 7th Street South (5 year).
 - k. Ronald J. Borowicz and Douglas W. Krantz, 77 Prairiewood Drive South (5 year).
 - l. Scott W. and Shawna Davidson, 1513 8th Street South (5 year).
 - m. Jason R. and Elizabeth K. Haak, 1417 14th Street South (5 year).
 - n. Timothy L. Olson and Jo Marie Jensen, 157 Prairiewood Drive South (5 year).

5. Site Authorization for Northern Prairie Performing Arts at Southtown Pourhouse.

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Applications for Games of Chance:

- a. Centennial Elementary PTO for bingo from 10/26/18 to 5/1/19.
- b. Knights of Columbus for a raffle on 2/3/19.
- c. El Zagal Shrine Arab Patrol for a raffle on 3/8/19.
- d. Fargo North Spartacas for a raffle on 12/1/18.
- e. United Way of Cass-Clay for a raffle board on 11/9/18.
- f. HeartSprings for a raffle on 12/8/18.

7. Receive and file General Fund – Budget to Actual through September 30, 2018 (unaudited).
8. Voluntary Collection Agreement for City of Fargo, ND Lodging Tax with AIRBNB, Inc.
9. Notice of Grant Award with the ND Department of Health to address chronic disease (CFDA #93.991).
10. Notice of Grant Award with the ND Department of Health for Title X Family Planning Program (CFDA #93.217).
11. Set December 3, 2018 at 5:15 p.m. as the date and time for a hearing on a dangerous building at 703 10th Avenue North.
12. Resolution Approving Plat of Oakcreek Second Addition.
13. Additional 2018 Certified Local Government Grant Award from the State Historical Society of ND.
14. Acceptance of the ND Department of Emergency Services FY 2018 State Homeland Security Grant (CFDA #97.067).
15. Acceptance of the Walmart Community Grant.
16. Resolution Prescribing Forestry Rates effective 1/1/19.
17. Bid award for two motor graders with wings (RFP18301).
18. Meter Vault Installation Agreement with the City of West Fargo.
19. Bid award for an articulating utility tractor (PBCT652).
20. RFQ to renovate/rehab the GTC, pending approval by the State of ND Transit Division.
21. Request from Jefferson Lines to rent space at the GTC.
22. Change Order No. 1 for an increase of \$980.00 for Project No. WA1752.
23. City Engineer or designee to evaluate advanced requests for Sunday work and rewording of the Contract.
24. Change Order No. 4 for an increase of \$2,807.06 for Project No. FM-15-K1.
25. Negative Final Balancing Change Order No. 2 in the amount of -\$24,796.35 for Project No. FM-14-61.
26. Resolution Authorizing Street Lighting and Traffic Control Devices System Fee.

Page 28. Bills.

29. Memorandum of Offer to Landowner for three temporary and one permanent easement with Rocking Horse Farm, LLC for Improvement District No. BN-19-A1.
30. Memorandum of Understanding – Generator with the Metro Flood Diversion Authority for cost of maintenance and operation of Storm Sewer Lift Station Nos. 18 and 23 (improvement District Nos. FM-14-81 and FM-14-92).
31. Easement (Sanitary Sewer) with the ND State Board of Higher Education on behalf of NDSU of Agriculture and Applied Science (Improvement District No. UN-18-C1).
32. Change Order No. 2 for an increase of \$47,618.50 for Improvement District No. PR-18-C1.
33. Bid award for utility pot holing for Improvement District No. BR-18-B1.
34. Contracts and bonds for Improvement District Nos. NN-18-A1 and UN-18-B1.

REGULAR AGENDA:

35. 1st reading of an Ordinance Enacting Article 39-01 of Chapter 39 of the Fargo Municipal Code Relating to Collection of Utilities and Services.
36. State Water Commission requests for Cost Reimbursement for FM Diversion Flood Project Costs:
 - a. Costs totaling \$433,313.00.
 - b. Costs totaling \$73,302.00.
37. Public Hearings - 5:15 pm:
 - a. CONTINUE to 11/19/18 – Hearing on a dangerous building located at 1101 7th Street North.
 - b. Application filed by The Edge 2, LLC for a payment in lieu of tax exemption (PILOT) for a project located at 1329 5th Avenue North, which the applicant will use in the operation of a multi-family apartment building.
 - c. Application filed by HRP Fargo LLC d/b/a The Tavern Grill for a Class “I” Alcoholic Beverage License at 3233 45th Street South.
 - d. Application filed by Hornbacher’s Inc. d/b/a Hornbacher’s Wine & Spirits for a Class “B-Limited” Alcoholic Beverage License at 4265 45th Street South, Suite 121.
 - e. Renewal Plans for District Nos. 2018-01, 2018-02 and 2018-03 for demolition of existing structures, site cleanup, public works improvements and redevelopment to multi-family housing within Blocks 2, 3, and 19 of Beardsley’s Addition.

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

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

OFFICE OF THE CITY ATTORNEY
FARGO, NORTH DAKOTA

(35)

ORDINANCE NO. _____

AN ORDINANCE ENACTING ARTICLE 39-01 OF CHAPTER 39
OF THE FARGO MUNICIPAL CODE
RELATING TO COLLECTION OF
UTILITIES AND SERVICES

WHEREAS, the electorate of the city of Fargo has adopted a home rule charter in accordance with Chapter 40-05.1 of the North Dakota Century Code; and

WHEREAS, Section 40-05.1-06 of the North Dakota Century Code provides that the city shall have the right to implement home rule powers by ordinance; and

WHEREAS, Section 40-05.1-05 of the North Dakota Century Code provides that said home rule charter and any ordinances made pursuant thereto shall supersede state laws in conflict therewith and shall be liberally construed for such purpose; and

WHEREAS, the board of city commissioners deems it necessary and appropriate to implement such authority by the adoption of this ordinance; and

WHEREAS, for the purpose of paying for the construction, reconstruction, repair, improvements, maintenance, operation and use of the storm sewer system, the board of city commissioners wishes to establish a storm sewer system charge to be made against all properties located within the city limits. All charges shall be established, collected and accounted for in the manner as set forth under Article 39-01.

NOW, THEREFORE,

Be It Ordained by the board of city commissioners of the city of Fargo:

Section 1. Enactment.

Article 39-01 of Chapter 39 of the Fargo Municipal Code is hereby enacted as follows:

OFFICE OF THE CITY ATTORNEY
FARGO, NORTH DAKOTA

ORDINANCE NO. _____

CHAPTER 39 –
STORM WATER UTILITY SERVICE

Article 39-01- Storm Water Service Charge

Section 39-0101- Generally. A monthly storm water service charge shall be collected for each property located within the city of Fargo.

Section 39-0102- Definitions.

The following definitions shall apply in the interpretation and enforcement of this Article:

- (1) Land use or zoning classification is that classification identified in the Land Development Code, Fargo Municipal Code Chapter 20.
- (2) Area is the total square footage of all the improved and unimproved property contained within the boundaries of each parcel of land in the city as determined by the City Engineer or designee, in conjunction with the city Geographical Information System (GIS).
- (3) Storm water system rate is that portion of the total annual expenses which the board of commissioners of the city of Fargo determines is to be charged to a parcel with a specific land use or zoning classification to provide such services as the management and operation of the storm water system as well as the construction, reconstruction, repair, enlargement, maintenance, use and operation of all storm water utility improvements.
- (4) Storm water service charge is the actual charge imposed against each parcel of land within the city.

Section 39-0103- Collection. The storm water service charge shall be collected from each parcel on a monthly billing.

Section 39-0104- Calculation. The storm water service charge shall be a flat rate or based on the percentage of impervious surface and the size of the property draining into the city's storm sewer system.

Section 39-0105. Fees for Residential and Nonresidential Properties. Property within the city shall be assessed a monthly storm water service charge. The amount of the monthly storm water

OFFICE OF THE CITY ATTORNEY
FARGO, NORTH DAKOTA

ORDINANCE NO. _____

service charge for all Residential and Nonresidential properties shall be established by Resolution of the board of city commissioners of the city of Fargo.

Section 39-0106- Exemptions or Reduced Charges. Exemptions and reduced charges may be adopted by Resolution of the board of city Commissioners of the city of Fargo.

Section 39-0107.- Review of Storm Water System Charge.

- (1) Property owners, as determined by the city of Fargo parcel information, may seek review of the storm sewer system charge by filing a written request for review with the City Engineer. The request shall be filed within thirty (30) days of the mailing of the monthly bill and shall set forth the particular grounds upon which the review is sought.
- (2) Grounds for review include questions relating to the city's determination of the parcel's area and its determination of the parcel's impervious surface determination.
- (3) The board of commissioners, by resolution and upon the recommendation of the City Engineer shall adopt guidelines and policies for the review of these petitions. The City Engineer shall follow these guidelines and policies and consider all pertinent data including that provided by the property owner before making a determination of the merits of each petition.

Section 39-0108.- Certification of unpaid charges. The balance of any unpaid storm water service charges shall be certified for collection with real estate taxes in the following year in accordance with Article 3-23.

Section 2. Effective Date.

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

Timothy J. Mahoney, Mayor

(SEAL)

Attest:

First Reading:
Second Reading:
Final Passage:

Steven Sprague, City Auditor

3600

TO: BOARD OF CITY COMMISSIONERS

FROM: KENT COSTIN, DIRECTOR OF FINANCE 

RE: STATE WATER COMMISSION COST REIMBURSEMENT APPROVAL

DATE: October 16, 2018

The existing legislation in place for State Water Commission funding related to the Fargo-Moorhead Metropolitan Area Flood Risk Management Project requires that the Fargo City Commission, Cass County Commission, and the Cass Water Resource Board approve all payment reimbursement requests prior to their submission and ultimate payment.

The attached reimbursement request has been prepared by Finance staff and is ready for processing. Your approval of the request for funds is hereby requested as required.

As requested previously by the City Commission, the costs related to the Oxbow Hickson Bakke levee are being presented separately from the rest of the Metro Flood Diversion expenses. This request includes only the OHB levee related costs for September 2018.

Suggested Motion:

Approve a State Water Commission request for cost reimbursement for Fargo-Moorhead Metropolitan Area Flood Risk Management Project costs totaling \$433,313.

October 16, 2018

Garland Erbele, P.E.
North Dakota State Water Commission
900 East Boulevard Avenue, Dept 770
Bismarck, ND 58505-0850

Dear Garland,

The Metro Flood Diversion Authority is submitting eligible costs for reimbursement request #76 pursuant to the terms and conditions of House Bill 1020 for costs incurred on the OHB Levee project from September 1, 2018 to September 30, 2018. These costs are summarized in the attached cost summaries and are supported by detailed disbursement records included within this submission.

The total amount of the claim for reimbursement is \$433,313.

State Funds Available	Amount Spent Previous Request	Amount Spent This Period	State Cost Share	Reimbursement Request This Period	Balance of State Funds
\$244,000,000	\$187,165,647	\$866,626	50%	\$433,313	\$56,401,040

Project Narrative, this request:

Project Number	Project Description
V04401	Pay Application #7 for WP43CD – OHB Ring Levee Phases C and D

We certify that \$79,166,117 has been expended on the acquisition of homes and that these costs are eligible for the local matching share requirements of HB 1020. Records relating to these costs are on file with the City of Fargo in the Office of the City Auditor.

The City of Fargo, Cass County Commission, and the Cass County Joint Water Resource Board have approved our request for funds as required in HB 1020. Copies of their approval letters are included.

If you have any questions relating to our request, please contact me directly.

Sincerely,



Kent Costin
Director of Finance, City of Fargo
Metro Flood Diversion Authority

Required Local Approvals:

City of Fargo

Cass County Commission

Cass County Joint Water Resource Dist.

FM Metropolitan Area Flood Risk Management Project
Summary of Cash Disbursements Eligible for SWC Funding
September 2018 - OHB Levee Related Costs

Account Number	Check Date	Check Number	Vendor Name	Transaction Amount	Description 1	Project Number	Project Description
790-0000-206.10-00	9/13/2018	290585	MEYER CONTRACTING INC	(694.47)	OHB RING LEVEE	V04401	OHB RING LEVEE PHASES C&D
			Total Retainage	(694.47)			
790-7952-429.73-52	9/13/2018	290585	MEYER CONTRACTING INC	867,320.41	OHB RING LEVEE	V04401	OHB RING LEVEE PHASES C&D
			Total OH/B Construction - Flood Control	867,320.41			
Total Expense for Period				\$ 866,625.94			

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TO: BOARD OF CITY COMMISSIONERS
FROM: KENT COSTIN, DIRECTOR OF FINANCE 
RE: STATE WATER COMMISSION COST REIMBURSEMENT APPROVAL
DATE: October 16, 2018

The existing legislation in place for State Water Commission funding related to the Fargo-Moorhead Metropolitan Area Flood Risk Management Project requires that the Fargo City Commission, Cass County Commission, and the Cass Water Resource Board approve all payment reimbursement requests prior to their submission and ultimate payment.

The attached reimbursement request has been prepared by Finance staff and is ready for processing. Your approval of the request for funds is hereby requested as required.

Suggested Motion:

Approve a State Water Commission request for cost reimbursement for Fargo-Moorhead Metropolitan Area Flood Risk Management Project costs totaling \$73,302.

October 16, 2018

Garland Erbele, P.E.
North Dakota State Water Commission
900 East Boulevard Avenue, Dept 770
Bismarck, ND 58505-0850

Dear Garland,

The Metro Flood Diversion Authority is submitting eligible costs for reimbursement request #75 pursuant to the terms and conditions of House Bill 1020 for costs incurred from September 1, 2018 to September 30, 2018 on the Fargo-Moorhead Metropolitan Area Flood Risk Management Project. These costs are summarized in the attached cost summaries and are supported by detailed disbursement records included within this submission.

The total amount of the claim for reimbursement is \$73,302.

State Funds Available	Amount Spent Previous Request	Amount Spent This Period	State Cost Share	Reimbursement Request This Period	Balance of State Funds
\$244,000,000	\$187,092,345	\$146,603	50%	\$73,302	\$56,834,353

Project Narrative, this request:

Project Number	Project Description
V02818	Final Retainage Release for Mickelson Levee Extension
V04301	Pay Application #3 for WP28A – Cass County Road 16 and 17 Realignment

We certify that \$79,166,117 has been expended on the acquisition of homes and that these costs are eligible for the local matching share requirements of HB 1020. Records relating to these costs are on file with the City of Fargo in the Office of the City Auditor.

The City of Fargo, Cass County Commission, and the Cass County Joint Water Resource Board have approved our request for funds as required in HB 1020. Copies of their approval letters are included.

If you have any questions relating to our request, please contact me directly.

Sincerely,



Kent Costin
Director of Finance, City of Fargo
Metro Flood Diversion Authority

Required Local Approvals:

City of Fargo

Cass County Commission

Cass County Joint Water Resource Dist.

FM Metropolitan Area Flood Risk Management Project
Summary of Cash Disbursements Eligible for SWC Funding
September 2018

Account Number	Check Date	Check Number	Vendor Name	Transaction Amount	Description 1	Project Number	Project Description
790-0000-206.10-00	9/13/2018	290543	INDUSTRIAL BUILDERS INC	15,000.00	Pay Retainage	V02818	MICKELSON LEVEE EXTENSION
790-0000-206.10-00	9/13/2018	290633	RILEY BROTHERS CONSTRUCTION	75,141.00	Pay Retainage	V04301	CR16 & CR17 REALIGNMENT
			Total Retainage	90,141.00			
790-7950-429.73-59	9/13/2018	290633	RILEY BROTHERS CONSTRUCTION	56,461.87	CO RD 16 & 17 REALIGNMENT	V04301	CR16 & CR17 REALIGNMENT
			Total ND Construction - Street & Roadway System	56,461.87			
Total Expense for Period				\$ 146,602.87			



Fargo Inspections

City of Fargo
225 Fourth Street North
701-241-1561
fax 701-241-1526



Memorandum

DATE: October 18, 2018
TO: Mayor Mahoney and Board of City Commissioners
FROM: Bruce Taralson, Inspections Administrator
SUBJECT: Dangerous Building Hearing for 1101 7 Street N., Fargo, ND 58102

A Dangerous Building Hearing has been scheduled for Monday, October 22, 2018 for the building located at 1101 7 Street N., Fargo, ND 58102. This request is for a hearing continuance to the Commission Meeting dated Monday, November 19, 2018.



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October 17, 2018

Board of City Commissioners
City Hall
Fargo, ND 58102

Dear Commissioners:

Attached is an application made by The Edge 2, LLC, for a payment in lieu of tax (PILOT) according to N.D.C.C. Chapter 40-57.1. The PILOT requested is for a new 48 unit, low income housing project at 1329 5 Ave. N. The applicant is in the application process with the North Dakota Housing Finance Agency for Low Income Housing Tax Credit funds.

Notices to competitors have been published. Tax Exempt Review Committee has met to consider this application. No potential competitors appeared at the Tax Exempt Review meeting. This project meets our current policy as stated below.

Qualifying projects under the federal Low Income Housing Tax Credit (LIHTC) program will be considered for a 15 year PILOT according to the following:

- *City of Fargo must approve the LIHTC participation.*
- *PILOT payment schedule will be established based on a value of the project determined by using a gross rent multiplier (GRM) of 5.5–6.5 times the gross rents received from the project imposed by the low income credit program in the initial year.*
- *An annual inflation factor of 2% will be applied to the PILOT payment schedule.*

SUGGESTED MOTION:

Approval of a 15 year, payment in lieu of tax for The Edge 2, LLC for a low income housing project at 1329 5 Ave. N. according to the attached payment schedule.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Hushka".

Ben Hushka
Tax Exempt Review Committee

Payment In Lieu of Property Tax
Payment Schedule

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

PROJECT OPERATOR: The Edge 2, LLC

ASSUMPTIONS: **\$5,700,000 improvement value**

Initial year payment based on tax on the value of \$2,100,000 determined at 5.5 times gross restricted rent under LIHTC program, less projected land tax.

Annual PILOT Growth = 2%

PAYMENT SCHEDULE:

<u>YEAR</u>	<u>IN LIEU PAYMENT</u>
1	\$ 25,138
2	\$ 25,640
3	\$ 26,153
4	\$ 26,676
5	\$ 27,210
6	\$ 27,754
7	\$ 28,309
8	\$ 28,875
9	\$ 29,453
10	\$ 30,042
11	\$ 30,643
12	\$ 31,255
13	\$ 31,881
14	\$ 32,518
15	\$ 33,169

****Note** - The applicant will pay property tax on the land in addition to these in lieu payments.

RECEIVED

SEP 18 2018

FARGO ASSESSOR

Application For Property Tax Incentives For New or Expanding Businesses

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

Project Operator's Application To City of Fargo
City or County

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

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

This application is a public record

Identification Of Project Operator

1. Name of project operator of new or expanding business The Edge 2, LLC
2. Address of project 1329 5th Avenue North
City Fargo County ND
3. Mailing address of project operator 24 S. Brooke St.
City Fond du Lac State WI Zip 54935
4. Type of ownership of project
☐ Partnership ☐ Subchapter S corporation ☐ Individual proprietorship
☐ Corporation ☐ Cooperative ☒ Limited liability company
5. Federal Identification No. or Social Security No. Application in process.
6. North Dakota Sales and Use Tax Permit No. Not Applicable
7. If a corporation, specify the state and date of incorporation Not Applicable
8. Name and title of individual to contact Erin Anderson
 Mailing address 213 4th Street E., 4th Floor #421
 City, State, Zip St. Paul, MN 55101 Phone No. 612-791-0496

Project Operator's Application For Tax Incentives

9. Indicate the tax incentives applied for and terms. Be specific.
☐ **Property Tax Exemption**
 _____ Number of years 2020 Beginning year 2035 Ending year
 _____ Percent of exemption _____ Amount of annual payments (attach schedule if payments will vary)
10. Which of the following would better describe the project for which this application is being made:
☐ New business project ☐ Expansion of a existing business project

Description of Project Property

11. Legal description of project real property

Lot 1, Block 1, The Edge Addition, Fargo, ND

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

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

☐ Yes ☐ No

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

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

If existing facility, when was it constructed? _____

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application July 2019

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

The Edge 2 will be a five-story wood frame constructed apartment building with 48 units, first floor covered parking, and surface parking. The site improvements will also include significant landscaping and a playground. The apartments will be affordable to residents at 80 percent area income and lower and will be financed through the low-income housing tax credit program. There will be 1, 2, and 3-bedroom units.

c. Projected number of construction employees during the project construction 9014. Approximate date of commencement of this project's operations July 2020

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

a. Land \$ 344,000b. Existing buildings and structures for which an exemption is claimed \$ 0c. Newly constructed buildings and structures when completed \$ 5,700,000d. Total \$ 6,044,000e. Machinery and equipment \$ 0

16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:

a. Land (not eligible) 

b. Eligible existing buildings and structures \$ _____

c. Newly constructed buildings and structures when completed \$ 285,000d. Total taxable valuation of property eligible for exemption (Add lines b and c) \$ 285,000e. Enter the consolidated mill rate for the appropriate taxing district 288.66f. Annual amount of the tax exemption (Line d multiplied by line e) \$ 82,268.00

Description of Project Business

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

17. Type of business to be engaged in: ☐ Ag processing ☐ Manufacturing ☐ Retailing
☐ Wholesaling ☐ Warehousing ☒ Services

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

The proposed use will be a multifamily apartment building, which will be operated by the applicant.

19. Indicate the type of machinery and equipment that will be installed

Not applicable.

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption.

Year (12 mo. periods)	New/Expansion Project only <u>Year 1</u>	New/Expansion Project only <u>Year 2</u>	New/Expansion Project only <u>Year 3</u>	New/Expansion Project only <u>Year 4</u>	New/Expansion Project only <u>Year 5</u>
Annual revenue	379,619	387,212	394,956	402,855	410,912
Annual expense	356,948	364,321	371,871	379,640	387,633
Net income	22,671	22,891	23,085	23,215	23,279

21. Projected number and salary of persons to be employed by the project for the first five years:

Current positions & positions added the initial year of project

# Current Positions	New Positions Under \$13.00	New Positions \$13.01-\$15.00	New Positions \$15.01-\$20.00	New Positions \$20.01-\$28.00	New Positions \$28.01-\$35.00	New Positions Over \$35.00
0				2		

Year	(Before project)	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
No. of Employees	(1) _____	_____	_____	_____	_____	_____
	(2) 0	2	2	2	2	2
Estimated payroll	(1) _____	_____	_____	_____	_____	_____
	(2) 0	43,000	44,290	45,619	46,987	48,397

(1) - full time

(2) - part time

Previous Business Activity

22. Is the project operator succeeding someone else in this or a similar business? ☒ Yes ☐ No
23. Has the project operator conducted this business at this or any other location either in or outside of the state?
☒ Yes ☐ No
24. Has the project operator or any officers of the project received any prior property tax incentives? ☒ Yes ☐ No
If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach additional sheets if necessary).
Payment in Lieu of Taxes for Historic Apartments on 4th in Mandan, ND and The Edge Artist Flats in Fargo, ND.

Business Competition

25. Is any similar business being conducted by other operators in the municipality? ☒ Yes ☐ No
If YES, give name and location of competing business or businesses
Other affordable housing LIHTC developments in Fargo include Herald Square, Dakota Pioneer Center, and Graver Inn.
- Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition %

Property Tax Liability Disclosure Statement

26. Does the project operator own real property in North Dakota which has delinquent property tax levied against it? ☐ Yes ☒ No
27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? ☐ Yes ☒ No
- If the answer to 26 or 27 is Yes, list and explain

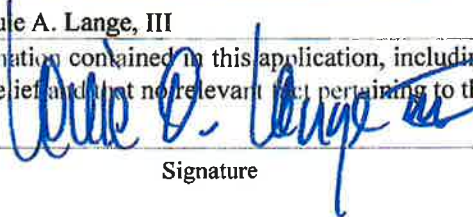
Use Only When Reapplying

28. The project operator is reapplying for property tax incentives for the following reason(s):
- ☐ To present additional facts or circumstances which were not presented at the time of the original application
 - ☐ To request continuation of the present property tax incentives because the project has:
 - ☐ moved to a new location
 - ☐ had a change in project operation or additional capital investment of more than twenty percent
 - ☐ had a change in project operators
 - ☐ To request an additional annual exemption for the year of _____ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, Louie A. Lange, III, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.



Signature

President

Title

9-18-18

Date



New High-Quality Housing Proposed at University and 5th Avenue N in the Unicorn Neighborhood

The Edge 2, located a few blocks away from the heart of downtown, a second phase to The Edge Artist Flats, will be the new construction of a 48-unit housing community with an elevator, abundant community amenities, and covered and surface parking. The high-quality housing will meet the needs of the growing workforce in Fargo and provide additional options for low-maintenance housing with modern amenities and community space that expresses the creative culture that is growing in downtown Fargo.

When we were working on The Edge Artist Flats, our market analysis showed a clear need for affordable and workforce housing. The size of the initial phase of the project was limited to funding availability for that particular year. Due to these limitations, a phased approach had to be implemented in order to achieve the desired number of units. Site selection that is location efficient as well as makes good use of existing infrastructure and connectivity to community resources is important. The site is well situated in an up and coming neighborhood on the edge of Downtown Fargo.

The Edge Artist Flats was designed with a planned Phase 2 in mind, site layout and platting. The second phase will further capture the workforce housing needs with some units up to 80% of County Area Median Income (the initial phase only went up to 60% AMI). Additionally, we recognize the need for larger family housing, so have increased the number of 3-BR units.

The unit mix will be as follows:

9 – 1 Bedrooms
24 – 2 Bedrooms
15– 3 Bedrooms
48 Total Units

The proposed rents and income limits are as follows:

INCOME	Unit Type	# Units	Rent Rate
30% County Median Income	One-Bedroom - Permanent Supportive Housing Trust Fund	2	
	Two-Bedroom - Permanent Supportive Housing Trust Fund	5	
	Three-Bedroom - Permanent Supportive Housing Trust Fund	1	
	Two Bedroom	3	456
31.25%	Three Bedroom	4	530
40% County Median Income	One Bedroom	-	533
	Two Bedroom	2	643
	Three Bedroom	2	746
8.33%			
50% County Median Income Limit	One Bedroom	3	689
	Two Bedroom	5	795
	Three Bedroom	2	875
20.83%			
80% CM	One Bedroom	4	875
	Two Bedroom	9	1,000
	Three Bedroom	6	1,200
39.6%			
Gross Rental	Total/Average	48	703

Sources of Funds

Equity			6,611,339
First Mortgage	Affordable Flexpace		2,522,378
Other: Soft debt	SOFT	0.0%	
Other: City (TIF)	SOFT		
Other: Housing Trust Fund	SOFT- 30 year deferred	0.00%	1,350,000
Other:			
Total Third Party Sources			10,483,717
Deferred Developer Fee		33.83%	262,482
TOTAL			10,746,199

Amenities included will be a media room, elevator, office, outdoor playground, exercise room, tenant storage, and community rooms. Additional landscaping and greenspace will enhance the neighborhood. Seven of the units will be designated as supportive housing to provide permanent housing with services to the formerly homeless and will have Funding from the North Dakota Housing Finance Agency's Housing Trust Fund.

The property will be owned by The Edge 2, LLC, of which Commonwealth will be the Managing Member. MetroPlains Management, LLC, North Dakota's most experienced affordable housing property management company, will provide the property management. There will be Support Services for the 8 Permanent Supportive Housing Units through the a local support service provider.

Development Timeline:

- Sept 28, 2018 – Submit Application to NDHFA
- June 2019 – Start Construction
- June 2020 – Construction completion and occupancy.

PROJECT FINANCIAL ANALYSIS
15 YEAR PRO FORMA

FOR

Permanent Loan	
Rate:	1.000%
DCR:	1.150
Amort:	30
Constant:	3.5597%
Annual Debt Service:	97,356
Mortgage Amount	2,522,376

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Rental Income from Units															
Average Annual % Inflation															
Average Monthly Rental Rates															
Housing Trust Fund															
Two Bedroom	16,416	16,744.32	17,076.21	17,420.79	17,769.21	18,124.59	18,487.09	18,856.82	19,233.98	19,618.64	20,011.01	20,411.23	20,819.48	21,235.86	21,660.66
Three Bedroom	26,440	26,948.80	27,467.78	27,997.13	28,537.07	29,086.57	29,645.57	30,214.07	30,792.01	31,379.35	31,976.01	32,581.84	33,196.74	33,820.54	34,453.14
One Bedroom	24,804	25,300.08	25,806.08	26,322.20	26,848.65	27,385.62	27,933.33	28,491.82	29,061.04	29,641.08	30,231.94	30,833.64	31,447.17	32,072.52	32,709.55
Two Bedroom	47,700	48,654.00	49,627.08	50,619.62	51,632.01	52,664.65	53,717.95	54,792.31	55,888.15	56,995.43	58,114.08	59,244.06	60,385.13	61,537.04	62,699.54
One Bedroom	21,000	21,420.00	21,848	22,285	22,731	23,186	23,649	24,122	24,605	25,097	25,599	26,111	26,633	27,166	27,709
Two Bedroom	850	850	850	850	850	850	850	850	850	850	850	850	850	850	850
Three Bedroom	975	975	975	975	975	975	975	975	975	975	975	975	975	975	975
One Bedroom	42,000	42,840	43,697	44,571	45,462	46,371	47,299	48,245	49,210	50,194	51,198	52,222	53,266	54,331	55,418
Two Bedroom	108,000	110,160	112,363	114,610	116,903	119,241	121,628	124,068	126,559	129,070	131,651	134,284	136,970	139,710	142,504
Three Bedroom	86,400	88,128	89,891	91,688	93,522	95,393	97,300	99,246	101,231	103,258	105,321	107,429	109,578	111,768	114,003
Total Gross Rent Revenue	405,096	413,198	421,462	429,891	438,489	447,258	456,204	465,328	474,635	484,127	493,810	503,688	513,760	524,035	534,516
Commercial Space-Deprave															
Laundry & Garage Income	2,880	2,938	2,996	3,056	3,117	3,180	3,243	3,308	3,374	3,442	3,511	3,581	3,653	3,726	3,800
Lease Vacancy	(28,357)	(28,924)	(29,502)	(30,092)	(30,694)	(31,309)	(31,934)	(32,573)	(33,224)	(33,889)	(34,567)	(35,258)	(35,953)	(36,663)	(37,378)
Total Income	379,619	387,212	394,956	402,855	410,912	419,130	427,513	436,063	444,764	453,600	462,794	472,058	481,449	491,078	500,900
Operating Expense and Real Estate Taxes															
Annual % escalation															
Office/Advertising	288	14,708	15,150	15,604	16,072	16,554	17,051	17,563	18,089	18,632	19,191	19,767	20,360	20,971	21,600
Personnel (Site Manager and Maintenance)	886	44,280	45,619	46,987	48,397	49,849	51,344	52,885	54,471	56,103	57,788	59,525	61,316	63,161	65,061
Utilities (Sewer/Water, Common Area, Trash)	857	42,370	43,641	44,950	46,299	47,688	49,119	50,592	52,110	53,673	55,281	56,934	58,642	60,405	62,227
Property Tax Exemption	1,822	89,187	90,936	92,719	94,538	96,392	98,283	100,211	102,177	104,181	106,224	108,306	110,428	112,589	114,790
Insurance	(45,916)	(46,834.32)	(47,771.01)	(48,728.43)	(49,706.86)	(50,694.97)	(51,703.87)	(52,733.05)	(53,792.91)	(54,873.87)	(55,975.35)	(57,107.77)	(58,271.59)	(59,477.29)	(60,725.19)
Other Support Services	305	15,100	15,653	16,219	16,800	17,395	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,530	22,178
Repairs & Maint.	571	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,516	29,370	30,249
Property Mgmt.	850	32,445	33,418	34,421	35,464	36,517	37,613	38,741	39,903	41,100	42,333	43,603	44,911	46,258	47,645
Accounting/Audit	115	27,356	28,177	29,022	29,893	30,789	31,713	32,665	33,644	34,654	35,693	36,764	37,867	38,993	40,173
NDHFA Compliance	35	5,565	5,835	6,101	6,376	6,659	6,947	7,240	7,538	7,841	8,149	8,462	8,780	9,103	9,431
Replacement Reserve	2,235	2,371	2,510	2,652	2,798	2,948	3,101	3,258	3,418	3,582	3,750	3,922	4,098	4,278	4,462
Total Operating Expenses	400	19,200	19,776	20,360	20,952	21,559	22,181	22,818	23,470	24,138	24,822	25,522	26,238	26,970	27,718
Net Operating Income	8,148	120,027	120,247	120,571	120,965	121,500	122,065	122,661	123,288	123,947	124,637	125,358	126,110	126,893	127,707
Total Debt Service Payment by Partnership															
Cash Flow	97,356	97,356	97,356	97,356	97,356	97,356	97,356	97,356	97,356	97,356	97,356	97,356	97,356	97,356	97,356
Accumulated Cash Flow	22,671	45,582	68,511	91,459	114,426	137,411	160,415	183,438	206,480	229,541	252,621	275,720	298,838	321,975	345,131
Debt Service Coverage - Hard Only	1.23	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.23	1.23	1.22	1.22	1.21	1.20

Per Unit

3%

376

MEMORANDUM

TO: Board of City Commissioners

FROM: Steven Sprague, City Auditor

SUBJECT: Liquor License Application – The Tavern Grill

DATE: October 17, 2018

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

License Class: I allows full bar, beer & wine only, 65% food
Business Name: The Tavern Grill (at Hair Success in the Grotto)
Location: 3233 45th Street South
Applicants: Anoushiravan Azarbayd Ansari
Reza Pour Alizabeh
Ali Pour Alizabeh
Peter Wesley Ahn
Timothy Randal Cary

Being no significant concerns, the Liquor Control Board voted to approve the issuance of the license. The complete application is available for review in the Auditor's Office.

Recommended Motion:

Move to approve the issuance of a Class I alcoholic beverage license to The Tavern Grill.

MEMORANDUM

TO: Chief David Todd
FROM: Sergeant Matt Christensen
DATE: September 26th, 2018

SUBJECT: Application for a Class "I" Alcoholic Beverage License for HRP Fargo LLC d/b/a: The Tavern Grill to be located at 3233 45th ST S, Fargo, ND.

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 questioned the applicant's criminal background, credit history, past residence history as well as any interaction they have had with law enforcement in any state.

The following information was discovered through this investigation:

Anoushiravan Azarbayd Ansari – Applicant

Criminal History- No areas of concern
Credit History- No areas of concern

Reza Pour Alizadeh - Applicant

Criminal History- No areas of concern
Credit History- Perfect Credit Score

Ali Pour Alizadeh - Applicant

Criminal History- No areas of concern
Credit History- Perfect Credit Score

Peter Wesley Ahn - Applicant

Criminal History- No areas of concern
Credit History- No areas of concern

Timothy Randal Cary – Applicant/Manager

Criminal History- No areas of concern

Credit History- No areas of concern

Investigation Notes

This application is for a class "T" license to sell beer, wine and sparkling wine "on-sale" only and requires 65% food sales. The Tavern Grill currently operates seven full service restaurants in the Minneapolis, MN area. They are attempting to expand their brand to Fargo and have been leasing the kitchen and grotto area inside Hair Success at 4546 32nd Ave S until their new location was completed at 3233 45th ST S. The concept they are bringing to Fargo will be similar to four of their seven current establishments, which are also called The Tavern Grill. These four current restaurants are located in Blaine, Edina, Woodbury and Arden Hills, MN.

I previously contacted the police departments responsible for covering the jurisdictions these establishments are currently located in to inquire about any problems associated with them. No issues were noted with regards to the Tavern Grill in any of the jurisdictions they operate in by local Law Enforcement.

This group also applied for a FA license in March of 2018. There does not appear to be any issues that have arisen since that license application.

Business Location

The Tavern Grill will be located at 3233 45th ST S. Other businesses in the area with an alcoholic beverage license include; Mexican Village, Fargo Billiards, Barbacoa and JL Beers.

Conclusion

I believe I have discovered all information related to the listed applicant(s) and all information related to the issuance of the requested liquor license. I have provided this completed background investigation to Fargo Police Chief David Todd for his review and recommendation.

37d

MEMORANDUM

TO: Board of City Commissioners
FROM: Steven Sprague, City Auditor
SUBJECT: Liquor License Application – Hornbacher's Wine & Spirits
DATE: October 17, 2018

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

License Class: B-Limited Off Sale, Transfer from Lakemode Liquors
Business Name: Hornbacher's Wine & Spirits
Location: 4265 45th Street South, Suite 121
Applicants: Matthew Leiseth

Being no significant concerns, the Liquor Control Board voted to approve the transfer of the license. The complete application is available for review in the Auditor's Office.

Recommended Motion:

Move to approve the transfer of a Class B-Limited alcoholic beverage license to Hornbacher's Wine & Spirits.

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 Monday, October 22, 2018 at 5:15 o'clock p.m. to consider an application for transfer of a Class "B-Limited" Alcoholic Beverage License from Lakemode Liquors, Inc d/b/a Lakemode Liquors, to Hornbacher's Inc d/b/a Hornbacher's Wine & Spirits to be located at 4265 45 St S, Suite 121, Fargo.

Any interested person may appear and will be heard.

City Auditor's Office
(October 8, 2018)

please return to
Auditor's office
by 10/10

MEMORANDUM

TO: Chief David Todd

FROM: Sergeant Matt Christensen

DATE: October 5th, 2018

SUBJECT: Application for transfer of a Class "B-Limited" Alcoholic Beverage License from Lakemode Liquors, Inc d/b/a Lakemode Liquors, to Hornbacher's Inc d/b/a: Hornbacher's Wine & Spirits to be located at 4265 45th ST S, Suite 121, Fargo, ND.

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 questioned the applicant's criminal background, credit history, past residence history as well as any interaction they have had with law enforcement in any state.

The following information was discovered through this investigation:

Matthew Leiseth - Applicant

Criminal History- No areas of concern

Credit History- No areas of concern

Investigation Notes

Hornbacher's Inc is applying for a "B-Limited" Alcoholic License with the intent of opening an "Off-sale" liquor store focused on wines and specialty beers. The location will be in the strip mall attached to their grocery store located at 4151 45th Street South South. Hornbacher's has had a positive relationship with the Police Department due to the working relationship with Loss Prevention and dealing with shoplifters. During this investigation, there were not any issues found that would suggest the issuance of this liquor license would cause any problems.

Business Location

Hornbacher's Wine & Spirits will be located at 4265 45th Street South. Suite 121, Fargo, ND. Other businesses in the area with an alcoholic beverage license include; Bulldog Tap, Taco Trombo, 47 degrees North, Hennessy's Irish Pub, and Lucy's North China Cuisine.

Conclusion

I believe I have discovered all information related to the listed applicant(s) and all information related to the issuance of the requested liquor license. I have provided this completed background investigation to Fargo Police Chief David Todd for his review and recommendation.

City of Fargo
ATTN: Steven Sprague, City Auditor
200 N 3 St. Fargo, ND 58102
o: 701-241-1301
f: 701-476-4188
ssprague@fargond.gov

RE: Hornbacher's Inc. Wine & Spirits

Mr. Sprague,

Please find the enclosed application for a transfer of a Class B Liquor License. Hornbacher's Inc. is submitting the application with the intent to purchase Lakemode Liquor's existing liquor license. If there is any additional information required, please reach out to:

Kristen Ruud, Licensing Analyst II
11840 Valley View Road
Eden Prairie, MN 55344
Office: 952.906.6008
Kristen.Ruud@supervalu.com

Thank you,

A handwritten signature in black ink, reading "Matthew Lenelt". The signature is written in a cursive style with a large, stylized "M" and "L".

09/13/2018

To whom it may concern:

I, Jodi Plecity would like to sell Hornbacher's my licensed store, Lakemode Liquors at 4265 45th St South, Ste 121, Fargo, ND, contingent on the successful transfer of my license to Hornbacher's, and also contingent on the sale of the store to Hornbacher's.

If you have any question's please feel free to contact me. Thank you for your time.

A handwritten signature in black ink, appearing to read "Jodi Plecity". The signature is stylized with a large, looping "J" and a long, horizontal stroke extending to the right.

Sincerely,

Jodi Plecity

Owner Lakemode Liquors

701-541-0875

City of Fargo
ATTN: Steven Sprague, City Auditor
200 N 3 St. Fargo, ND 58102
o: 701-241-1301
f: 701-476-4188
ssprague@fargond.gov

RE: Hornbacher's Inc. Wine & Spirits Forfeiture of Class B – Limited License

Mr. Sprague,

This is a formal request for forfeiture of Hornbacher's Inc. existing Class B Limited License, License No: 321628, Customer No: 16362 / 25654.

Thank you,

A handwritten signature in black ink that reads "Matth Lenett". The signature is written in a cursive style with a large, stylized 'M' and 'L'.



37e

MEMORANDUM

TO: BOARD OF CITY COMMISSIONERS

FROM: JIM GILMOUR, STRATEGIC PLANNING DIRECTOR 

DATE: OCTOBER 12, 2018

SUBJECT: RENEWAL PLANS IN THE ROOSEVELT NEIGHBORHOOD

In July, the City Commission approved a request from Roers Development to prepare four renewal plans for blocks in the Roosevelt Neighborhood. Roers Development acquired numerous properties on these blocks and has plans to redevelop the blocks with new housing.

Three of the Renewal Plans have been prepared for your consideration. Preparation of the Plan for the block of the proposed Newman/Roers development has been delayed pending the outcome of the zoning request.

The three Plans designate the areas as appropriate for redevelopment and have a general description of the Plan for redevelopment. The purpose of the Renewal Plans is to document blighted conditions and to adopt a policy to encourage the removal of dilapidated structures.

Unlike most Renewal Plans, these Plans do not create a Tax Increment Financing (TIF) Districts at this time. However, the plans could be considered at a later time as the first step in the creation of Tax Increment Financing (TIF) Districts to encourage new development.

Creation of the Tax Increment Financing (TIF) Districts, amendment of the renewal areas and approval of a detailed project, could be considered at a future date as amendments to these plans. At this time, demolition costs will be documented and could be eligible for City assistance as part of a future TIF district.

The Planning Commission reviewed the Renewal Plans and determined they were consistent with the GO 2030 Comprehensive Plan.

RECOMMENDED MOTION: To approve the three Resolutions Adopting Renewal Plans 2018-01, 2018-02 and 2018-03 for the redevelopment of the three blocks in the Beardsley's Addition.

Attachments

RESOLUTION
BOARD OF CITY COMMISSIONERS OF THE
CITY OF FARGO

DISTRICT NO. 2018-01

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 District No. 2018-01, 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.
3. That there are properties within the area contained within the Renewal Plan with deteriorated conditions, and other conditions existing that discourage redevelopment. The Renewal Area, as defined in the Renewal Plan, is blighted due to the presence of these properties and 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 comparable replacement dwellings or housing is available to persons displaced by the proposed Renewal Plan, which will not create any undue hardship to those persons. Housing vacancy rates in Fargo are high enough to meet the needs of persons who may be displaced in the future. Properties that are expected to be demolished soon are vacant, so initially no persons will be displaced by the redevelopment.
5. That the area designated as the Renewal Plan for District No. 2018-01 is appropriate for development projects.

6. That such development, rehabilitation, conservation or redevelopment of the area contained in the Renewal Plan for District No. 2018-01 requires the powers and authority granted in Chapter 40-58 NDCC.
7. That the Renewal Plan for District No. 2018-01 is hereby officially adopted by the Board.

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

DISTRICT NO. 2018-01

CITY OF FARGO, NORTH DAKOTA

September, 2018

RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2018-01

This is a renewal plan for property within Block 19 of Beardsley's Addition. The plan identifies property already appropriate for redevelopment, but does not describe in detail the plans for redevelopment. When the type of redevelopment is available for review, this plan will be amended to describe the project to be constructed. Also, the boundary may be expanded to include the redevelopment of other properties within the block.

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. 2018-01.

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

Subsection 1.2. Statutory Authority.

The creation of the Renewal Area is 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 2018-01, the City Commission intends to make the following findings:

- (a) The Renewal Area includes a blighted area.

Factual basis: This Renewal Area is blighted due to the presence of deteriorated or deteriorating structures (unsound basements or foundations, inadequate roofing, deteriorated siding and windows) which 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 of the Renewal Area can be found in Attachment A.

- (b) The Renewal Area is a residential property.

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

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

Factual basis: The renewal area is designated in the Roosevelt/NDSU Neighborhood Land Use Plan for higher-density residential development. The property is zoned University Mixed Use, which allows and requires higher density housing.

- (d) Comparable replacement dwellings or housing is available to persons displaced by the proposed redevelopment project.

Factual basis: Many of the properties are vacant. There are vacant houses and apartments in the neighborhood and north Fargo.

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

Factual basis: The City Commission has found that the proposed development is consistent with the goals that are embodied in the GO 2030 Comprehensive Plan. Most notably, the proposed development seeks to address several key initiatives of the GO 2030 plan, including initiatives for/to Promote Infill, Quality New Development, and High Quality Affordable Housing near NDSU. In addition, the proposed development conforms to the Roosevelt/NDSU Neighborhood Land Use Plan. The proposed use of the property is consistent with zoning, adjacent residential land use and transportation facilities. The proposed development will not burden the existing infrastructure as the property is served with the water and sewer main lines.

Subsection 1.4. Description of Renewal Area

The renewal area is located southwest of NDSU in the Roosevelt Neighborhood. This subsection provides maps showing information on properties on the block. The boundary of the renewal area is three areas on the block, with the yellow line as the perimeter.

All of the property within the renewal area on this block is zoned University Mixed Use (UMU). The rest of the block is zoned UMU, except for one property zoned MR-3 which allows multifamily housing. See Attachment B.

There are 22 properties on the block, a mix of single-family and multi-family buildings. There are 12 multi-family buildings with a total of 80 multi-family housing units. Multi-family buildings range in size from two to 24 units. There are also 10 single-family houses. Most of the single-family houses are quite old, with seven over 100 years in age and of the 10 buildings in the renewal area, 9 are over 75 years old. See Attachment C.

There are 10 properties in the renewal area. Of those 10, 7 are single-family houses and three appear to be single-family houses that were converted to apartments with two or four units per building.

Dakota Drive Investments, LLC is the owner of 10 of the 22 properties. Two single-family houses appear to be owner occupied. The other 10 properties are apartments, ranging from 1 to 24 units in size. See Attachment D.

Six houses in the renewal area are vacant, severely blighted and dilapidated. A garage on one of the properties burned recently and is a burned out shell. The owner of these properties plans to demolish these houses with the encouragement of the City. See Attachment E that shows the location of the dilapidated houses.

Subsection 1.5. Demolition of Structures and Redevelopment

Plans for the future redevelopment is not known at this time. It is expected to be multi-family housing for students and staff at North Dakota State University. The type of housing will depend on market conditions at the time of the development. The housing will comply with the current or future zoning of the area.

The Development of the Renewal Area includes the following initial activities:

Demolition & Site Cleaning/Grading – This cost is the estimate of the cost to remove existing buildings and foundations, trees and concrete, and inspect for and remove asbestos, plus fill and grade the site. The estimate is \$15,000 per structure. The City will encourage the owner of dilapidated and substandard properties on this block to demolish the properties and maintain the property as green space until new structures can be developed.

Land Acquisitions – The developer has already acquired the properties. Some additional land may be acquired adjacent to already purchased property. Any public assistance for land purchase would be determined based on a financial review of future redevelopment plans.

Administration – Administration costs are equal to about five percent of the development assistance of the above costs.

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 advisors. The maximum allowed costs will be specified in the development agreement.

Subsection 1.6. Land Use Attributes.

- (a) Zoning. The property is zoned UMU (University Mixed Use). No zoning or platting changes are required to allow redevelopment on these properties.
- (b) The property is zoned UMU ((University Mixed Use), which allows commercial and requires residential density of 18 units per acre.
- (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 improvements.) The land use objective for this project complies with the UMU (University Mixed Use) zoning district, the redevelopment goals of the GO 2030 Comprehensive Plan and the Roosevelt Neighborhood Plan. The development

provides for new residential dwelling units within an existing residential neighborhood.

Subsection 1.7. Redevelopment and Financing

The City of Fargo may consider providing Tax Increment Financing to assist with redevelopment of this area. However, a Tax Increment Financing is not being created as part of this renewal plan. Creation of a Tax Increment Financing District and an agreement to assist the developer would require amendment of this plan and adoption of a developer's agreement.

The City anticipates that implementation of this Renewal Plan may 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. If the City decides to provide costs those costs would be for property acquisition, demolition and site cleanup, and public works improvements.

If the City decides to finance certain costs of the Development, it will be through the issuance of a Tax Increment Financing Note to the Developer. The maximum term of the note would be 15 years. Based on current tax rates, annual TIF revenue would be approximately 1.4% of the increased value.

The amount of any public assistance will be based on City of Fargo Tax Increment Financing policies, a review of the financial needs of the project, the vacancy rate for apartments in the vicinity of NDSU and the quality of the new development.

By adoption of this Renewal Plan, the City of Fargo is encouraging owners of dilapidated structures to demolish those structures immediately and to maintain that property as green space until they are ready to build new on the property. Property owners are also encouraged to maintain existing structures to comply with city housing codes, or demolish the structures.

Subsection 1.8. Renewal Plan Amendments

The City anticipates that this Renewal Plan will be amended prior to final implementation. These amendments may expand the renewal area to other properties on the block, provide details on the new buildings, provide incentives to the developer, create a Tax Increment Financing District and incorporate a schedule for implementation.



1037 17th St N



1021 17th St N



1017 17th St N



1013 17th St N



1009 17th St N



1044 16th St N



1042 16th St N



1038 16th St N



1036 16th St N

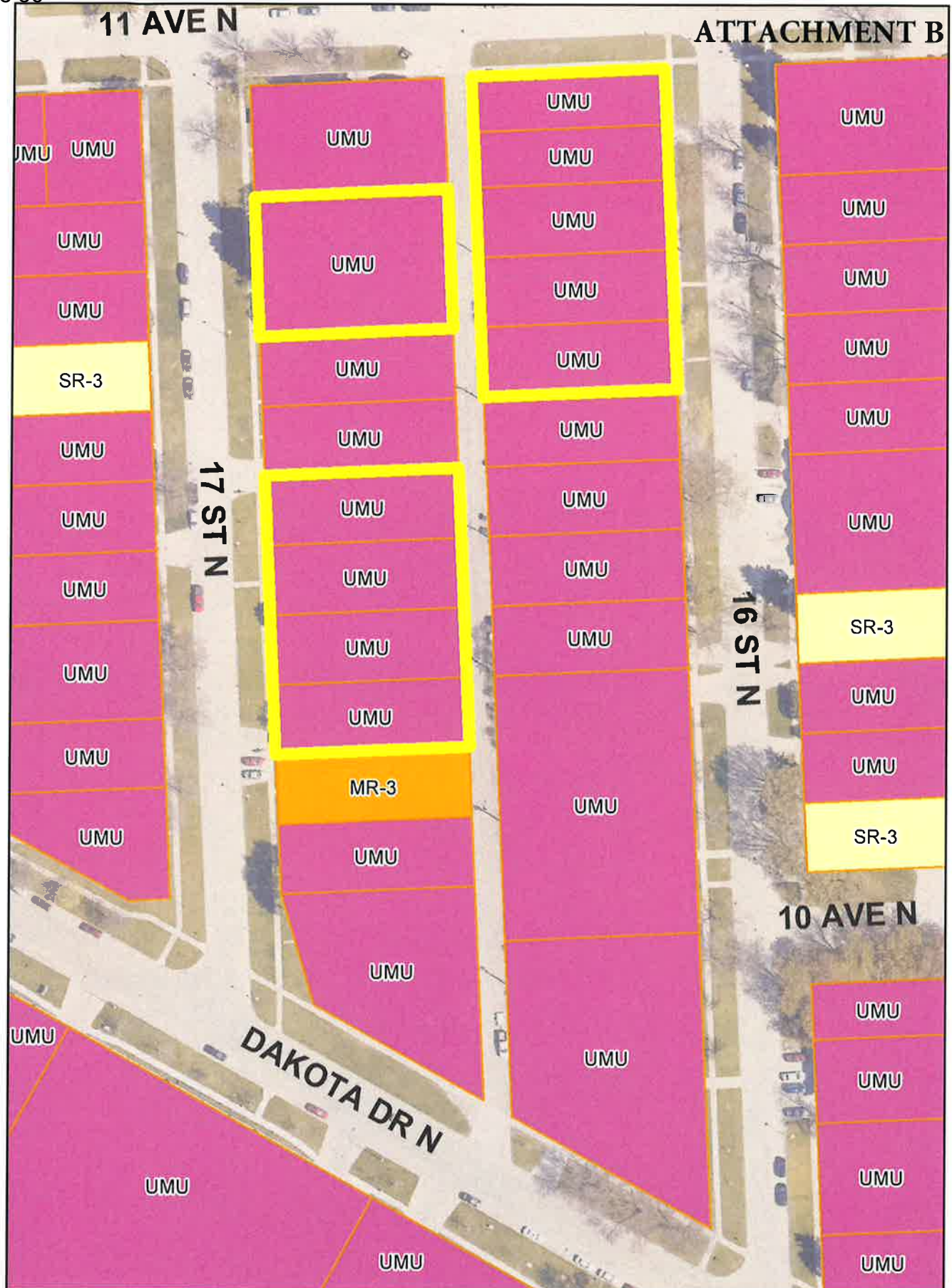


1036 16th St N



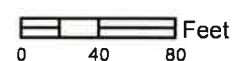
1030 16th St N



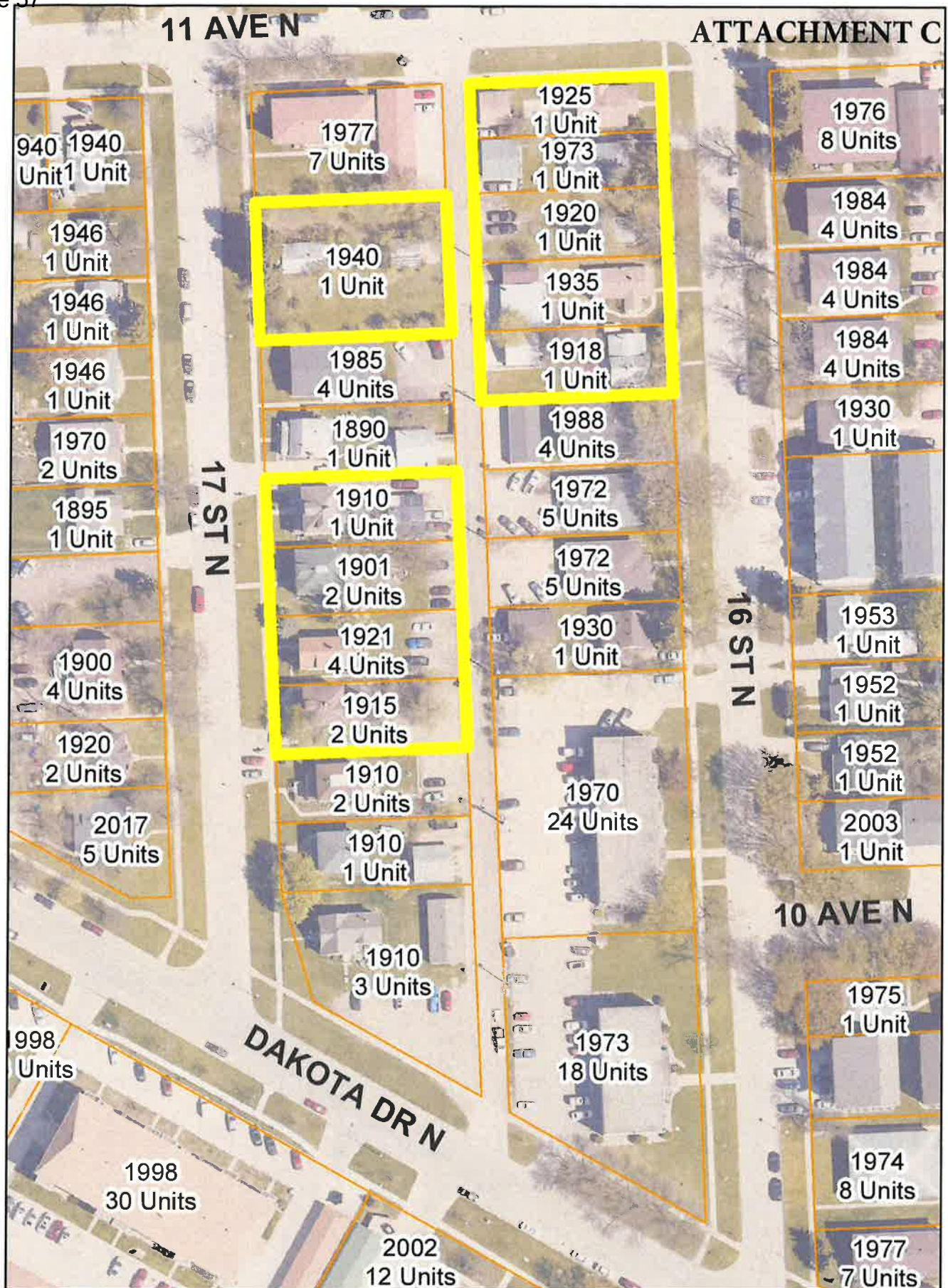


 Renewal Area

Renewal Area 2018-01 Zoning

 Feet
0 40 80

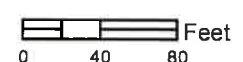




 Renewal Area

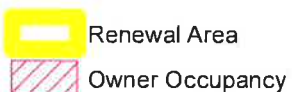
Renewal Area 2018-01

Year Built & Unit Count

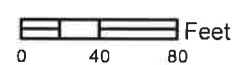
 Feet
0 40 80

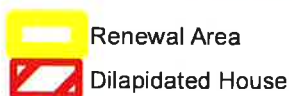
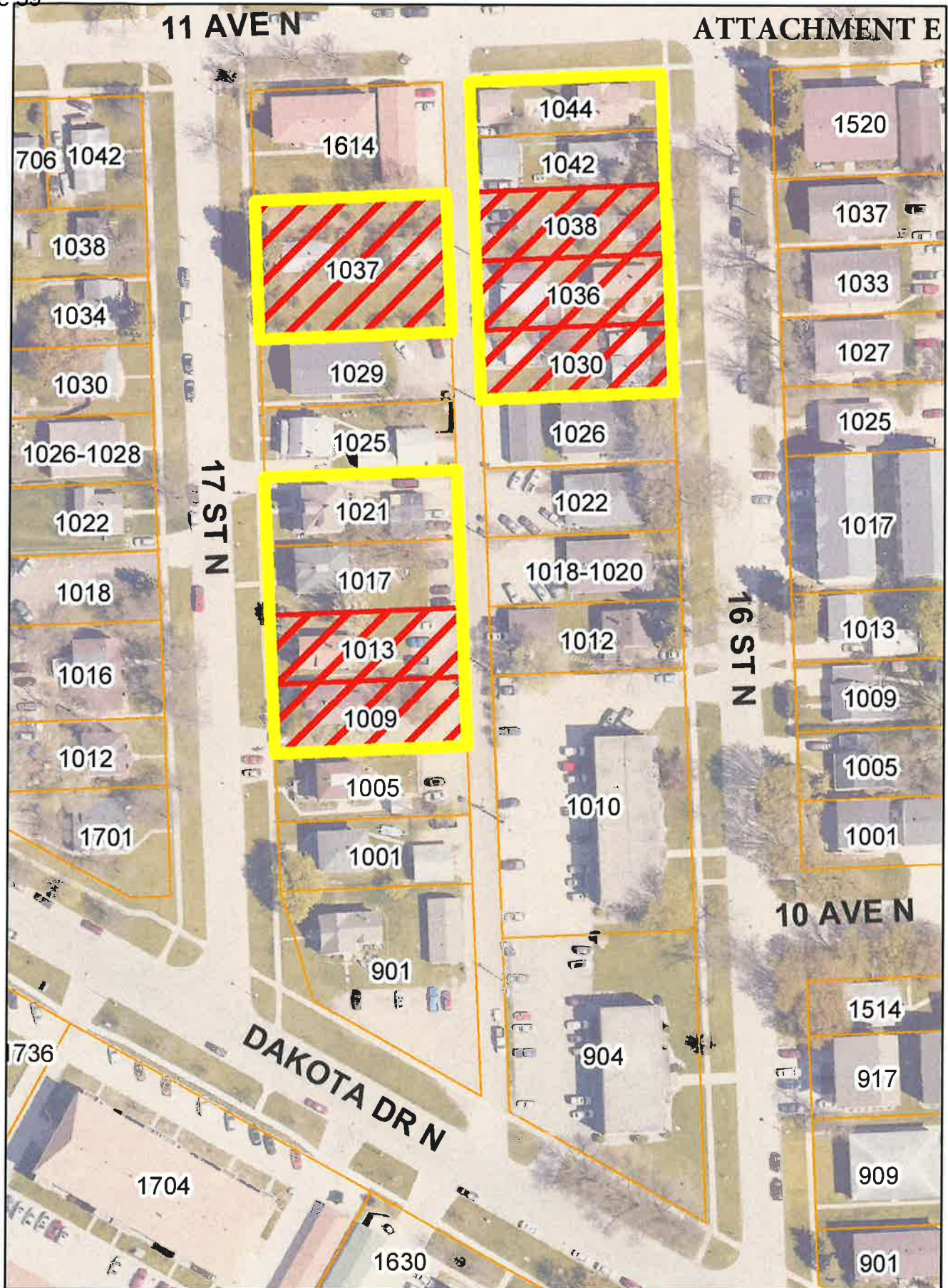


ATTACHMENT D

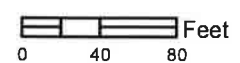


Renewal Area 2018-01





Renewal Area 2018-01 Dilapidated Houses to be Demolished



RESOLUTION
BOARD OF CITY COMMISSIONERS OF THE
CITY OF FARGO

DISTRICT NO. 2018-02

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 District No. 2018-02, 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.
3. That there are properties within the area contained within the Renewal Plan with deteriorated conditions, and other conditions existing that discourage redevelopment. The Renewal Area, as defined in the Renewal Plan, is blighted due to the presence of these properties and 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 comparable replacement dwellings or housing is available to persons displaced by the proposed Renewal Plan, which will not create any undue hardship to those persons. Housing vacancy rates in Fargo are high enough to meet the needs of persons who may be displaced in the future. Properties that are expected to be demolished soon are vacant, so initially no persons will be displaced by the redevelopment.
5. That the area designated as the Renewal Plan for District No. 2018-02 is appropriate for development projects.

6. That such development, rehabilitation, conservation or redevelopment of the area contained in the Renewal Plan for District No. 2018-02 requires the powers and authority granted in Chapter 40-58 NDCC.
7. That the Renewal Plan for District No. 2018-02 is hereby officially adopted by the Board.

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

DISTRICT NO. 2018-02

CITY OF FARGO, NORTH DAKOTA

September, 2018

RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2018-02

This is a renewal plan for property within Block 2 of Beardsley's Addition. The plan identifies property already appropriate for redevelopment, but does not describe in detail the plans for redevelopment. When the type of redevelopment is available for review, this plan will be amended to describe the project to be constructed. Also, the boundary may be expanded to include the redevelopment of other properties within the block.

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. 2018-02.

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

Subsection 1.2. Statutory Authority.

The creation of the Renewal Area is 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 2018-02, the City Commission intends to make the following findings:

- (a) The Renewal Area includes a blighted area.

Factual basis: This Renewal Area is blighted due to the presence of deteriorated or deteriorating structures (unsound basements or foundations, inadequate roofing, deteriorated siding and windows) which 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 of the Renewal Area can be found in Attachment A.

- (b) The Renewal Area is a residential property.

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

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

Factual basis: The renewal area is designated in the Roosevelt/NDSU Neighborhood Land Use Plan for higher-density residential development. The property is zoned University Mixed Use, which allows and requires higher density housing.

- (d) Comparable replacement dwellings or housing is available to persons displaced by the proposed redevelopment project.

Factual basis: Many of the properties are vacant. There are vacant houses and apartments in the neighborhood and north Fargo.

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

Factual basis: The City Commission has found that the proposed development is consistent with the goals that are embodied in the GO 2030 Comprehensive Plan. Most notably, the proposed development seeks to address several key initiatives of the GO 2030 plan, including initiatives for/to Promote Infill, Quality New Development, and High Quality Affordable Housing near NDSU. In addition, the proposed development conforms to the Roosevelt/NDSU Neighborhood Land Use Plan. The proposed use of the property is consistent with zoning, adjacent residential land use and transportation facilities. The proposed development will not burden the existing infrastructure as the property is served with the water and sewer main lines.

Subsection 1.4. Description of Renewal Area

The renewal area is located southwest of NDSU in the Roosevelt Neighborhood. This subsection provides maps showing information about the properties on the block. The boundary of the renewal area is two areas on the block, with the yellow line as the perimeter.

All of the properties within the renewal area on this block are zoned University Mixed Use (UMU). The rest of the block is zoned UMU, except for one property which is zoned Public Institutional and is a NDSU building. See Attachment B.

There are 14 properties on the block, a mix of single-family and multi-family buildings, a vacant lot, a commercial building with a dry cleaner and an NDSU building. There are 8 multi-family buildings with a total of 56 multi-family housing units. Multi-family buildings range in size from 2 to 24 units. There are also 3 single-family homes. Two of the single-family homes are quite old, at 98 and 100 years old. There is one owner occupied single-family house, which is 50 years old. See Attachment C.

There are 7 properties in the renewal area. Of those seven, two are single-family houses. There are two apartment buildings built in the 1980's, another is a 25-unit apartment building constructed in 1968 and one is a vacant lot.

Roers Development, through three different LLC's, owns 7 of the 14 properties on the block. One single-family house appears to be owner occupied. The other 6 properties include 4 apartment buildings, a NDSU building and a dry cleaner. See Attachment D.

There is one house in the renewal area that is vacant, severely blighted and dilapidated. The owner of the property plans to demolish this house with the encouragement of the City. See Attachment E that shows the location of the dilapidated house.

Subsection 1.5. Demolition of Structures and Redevelopment

Plans for the future redevelopment is not known at this time. It is expected to be multi-family housing for students and staff at North Dakota State University. The type of housing will depend on market conditions at the time of the development. The housing will comply with the current or future zoning of the area.

The Development of the Renewal Area includes the following initial activities:

Demolition & Site Cleaning/Grading – This cost is the estimate of the cost to remove existing buildings and foundations, trees and concrete, and inspect for and remove asbestos, plus fill and grade the site. The estimate is \$15,000 per structure. The City will encourage the owner of dilapidated and substandard properties on this block to demolish the properties and maintain the property as green space until new structures can be developed.

Land Acquisitions – The developer has already acquired the properties. Some additional land may be acquired adjacent to already purchased property. Any public assistance for land purchase would be determined based on a financial review of future redevelopment plans.

Administration – Administration costs are equal to about five percent of the development assistance of the above costs.

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 advisors. The maximum allowed costs will be specified in the development agreement.

Subsection 1.6. Land Use Attributes.

- (a) Zoning. The property is zoned UMU (University Mixed Use). No zoning or platting changes are required to allow redevelopment on these properties.
- (b) The property is zoned UMU ((University Mixed Use), which allows commercial and requires residential density of 18 units per acre.
- (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 improvements.) The land use objective for this project complies with the UMU

(University Mixed Use) zoning district, the redevelopment goals of the GO 2030 Comprehensive Plan and the Roosevelt Neighborhood Plan. The development provides for new residential dwelling units within an existing residential neighborhood.

Subsection 1.7. Redevelopment and Financing

The City of Fargo may consider providing Tax Increment Financing to assist with redevelopment of this area. However, a Tax Increment Financing is not being created as part of this renewal plan. Creation of a Tax Increment Financing District and an agreement to assist the developer would require amendment of this plan and adoption of a developer's agreement.

The City anticipates that implementation of this Renewal Plan may 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. If the City decides to provide costs those costs would be for property acquisition, demolition and site cleanup, and public works improvements.

If the City decides to finance certain costs of the Development, it will be through the issuance of a Tax Increment Financing Note to the Developer. The maximum term of the note would be 15 years. Based on current tax rates, annual TIF revenue would be approximately 1.4% of the increased value.

The amount of any public assistance will be based on City of Fargo Tax Increment Financing policies, a review of the financial needs of the project, the vacancy rate for apartments in the vicinity of NDSU and the quality of the new development.

By adoption of this Renewal Plan, the City of Fargo is encouraging owners of dilapidated structures to demolish those structures immediately and to maintain that property as green space until they are ready to build new on the property. Property owners are also encouraged to maintain existing structures to comply with city housing codes, or demolish the structures.

Subsection 1.8. Renewal Plan Amendments

The City anticipates that this Renewal Plan will be amended prior to final implementation. These amendments may expand the renewal area to other properties on the block, provide details on the new buildings, provide incentives to the developer, create a Tax Increment Financing District and incorporate a schedule for implementation.



1121 17th St N



1119 17th St N



1119 17th St N



1115 17th St N



1120 16th St N



1106 16th St N



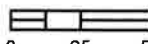
1102 16th St N



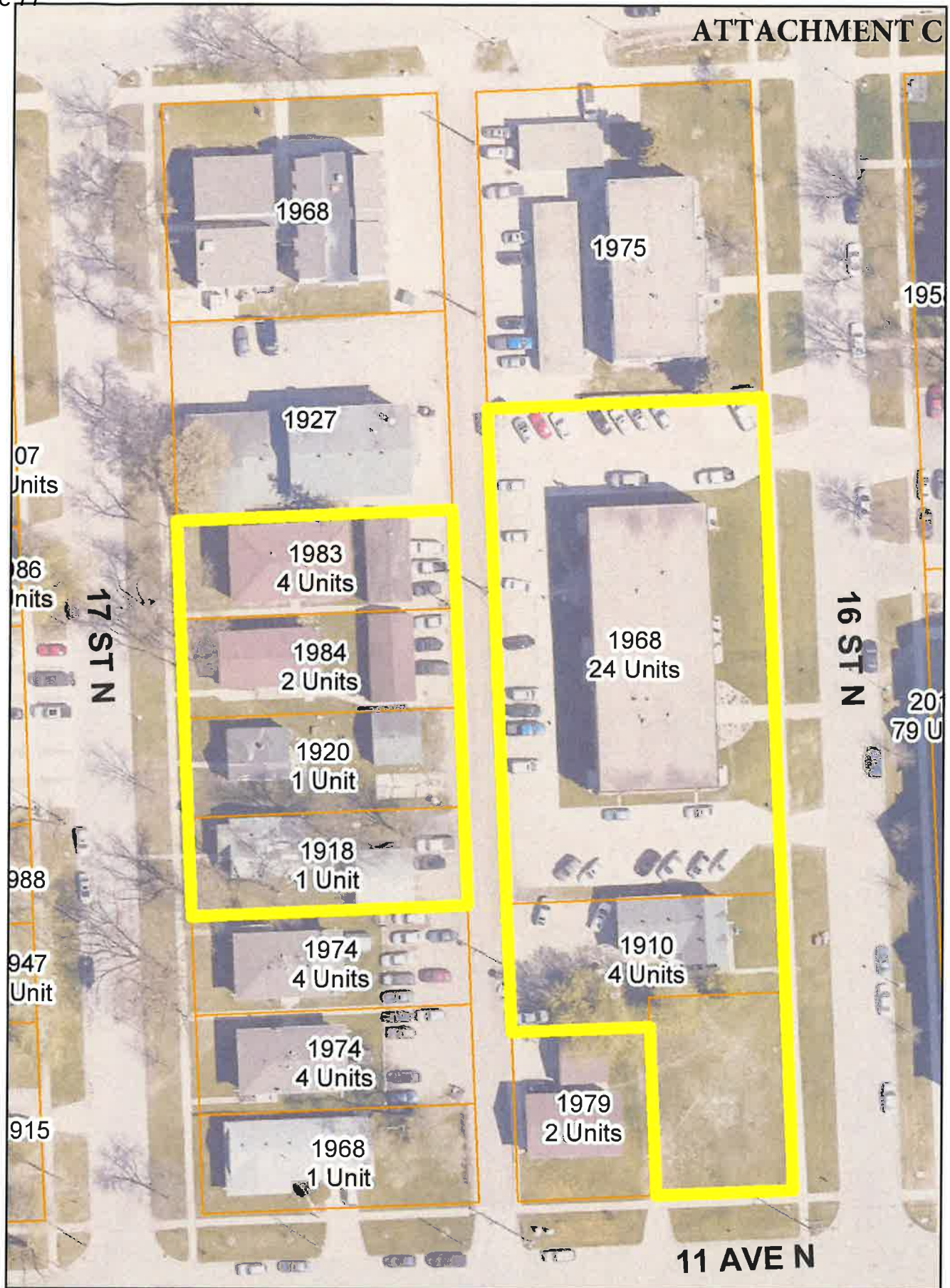


 Renewal Area

Renewal Area 2018-02 Zoning

 Feet
0 25 50

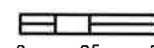




 Renewal Area

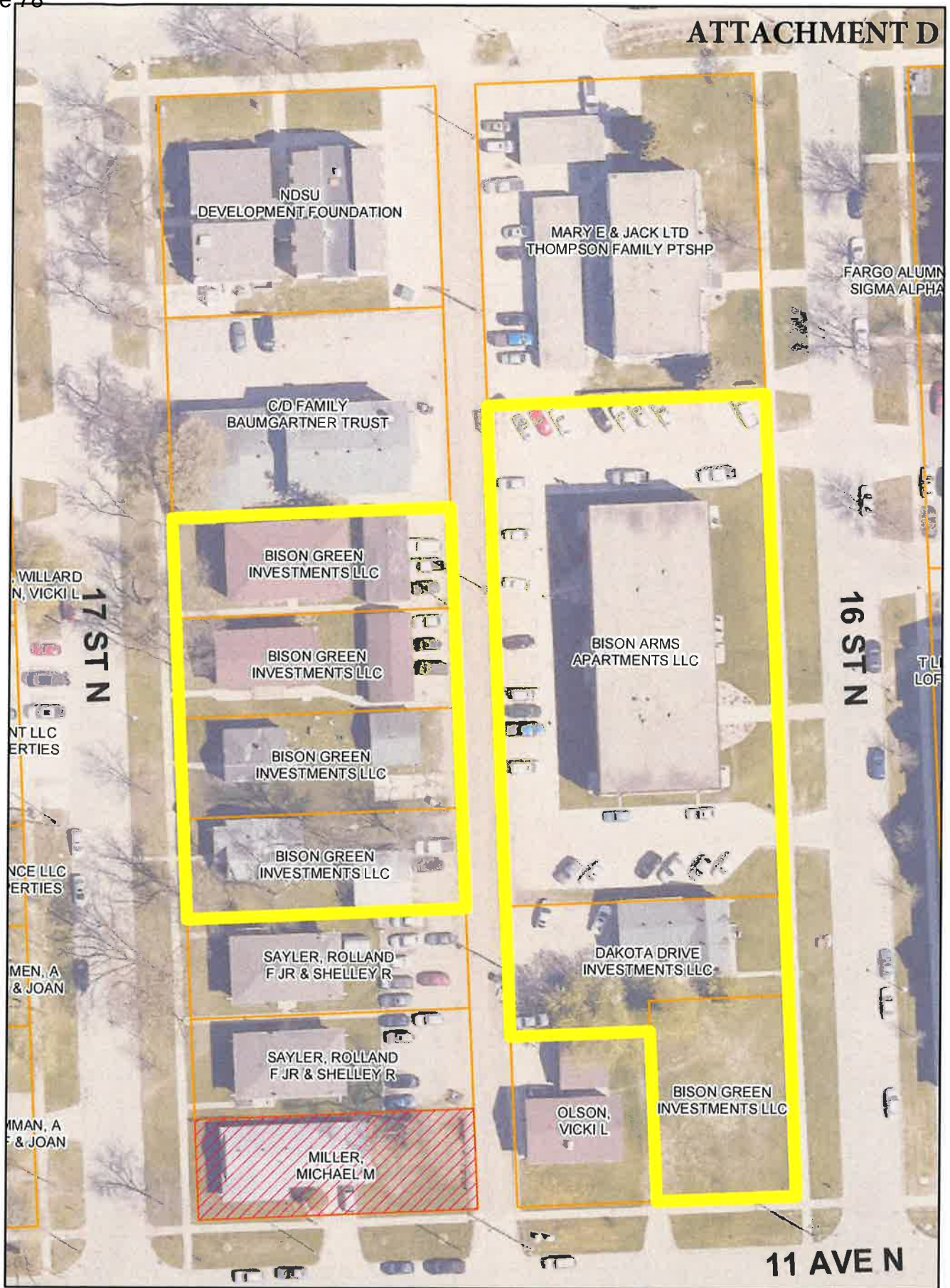
Renewal Area 2018-02

Year Built & Unit Count

 Feet
0 25 50

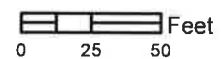


ATTACHMENT D

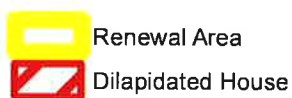
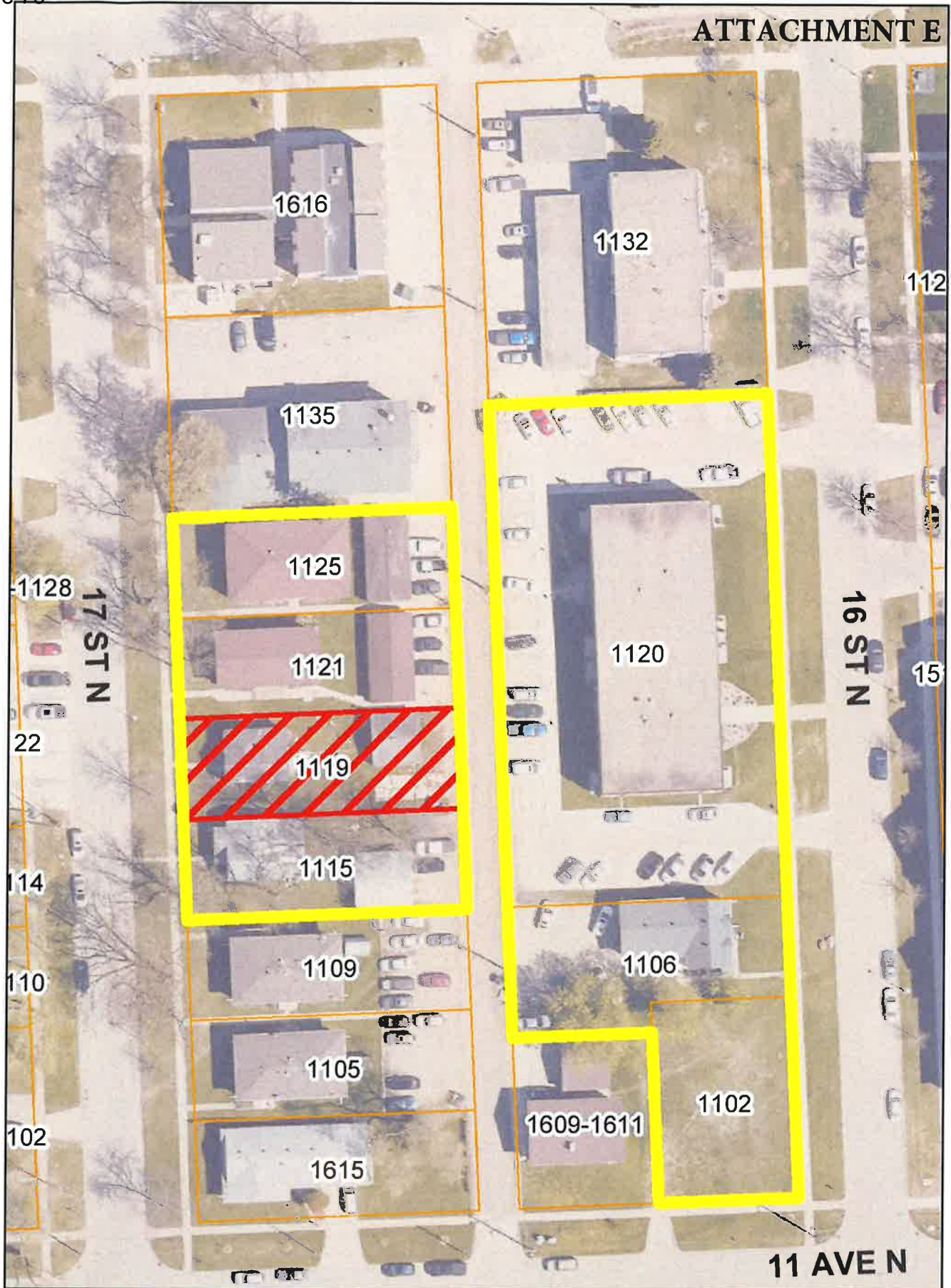


- Renewal Area
- Owner Occupancy

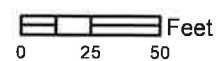
Renewal Area 2018-02



ATTACHMENT E



Renewal Area 2018-02
Dilapidated Houses to be Demolished



RESOLUTION
BOARD OF CITY COMMISSIONERS OF THE
CITY OF FARGO

DISTRICT NO. 2018-03

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 District No. 2018-03, 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.
3. That there are properties within the area contained within the Renewal Plan with deteriorated conditions, and other conditions existing that discourage redevelopment. The Renewal Area, as defined in the Renewal Plan, is blighted due to the presence of these properties and 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 comparable replacement dwellings or housing is available to persons displaced by the proposed Renewal Plan, which will not create any undue hardship to those persons. Housing vacancy rates in Fargo are high enough to meet the needs of persons who may be displaced in the future. Properties that are expected to be demolished soon are vacant, so initially no persons will be displaced by the redevelopment.
5. That the area designated as the Renewal Plan for District No. 2018-03 is appropriate for development projects.

6. That such development, rehabilitation, conservation or redevelopment of the area contained in the Renewal Plan for District No. 2018-03 requires the powers and authority granted in Chapter 40-58 NDCC.
7. That the Renewal Plan for District No. 2018-03 is hereby officially adopted by the Board.

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

DISTRICT NO. 2018-03

CITY OF FARGO, NORTH DAKOTA

September, 2018

RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2018-03

This is a renewal plan for property within Block 3 of Beardsley's Addition. The plan identifies property already appropriate for redevelopment, but does not describe in detail the plans for redevelopment. When the type of redevelopment is available for review, this plan will be amended to describe the project to be constructed.

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. 2018-03.

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

Subsection 1.2. Statutory Authority.

The creation of the Renewal Area is 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 2018-03, the City Commission intends to make the following findings:

- (a) The Renewal Area includes a blighted area.

Factual basis: This Renewal Area is blighted due to the presence of deteriorated or deteriorating structures (unsound basements or foundations, inadequate roofing, deteriorated siding and windows) which 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 of the Renewal Area can be found in Attachment A.

- (b) The Renewal Area is a residential property.

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

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

Factual basis: The renewal area is designated in the Roosevelt/NDSU Neighborhood Land Use Plan for higher-density residential development. The property is zoned University Mixed Use, which allows and requires higher density housing.

- (d) Comparable replacement dwellings or housing is available to persons displaced by the proposed redevelopment project.

Factual basis: Many of the properties are vacant. There are vacant houses and apartments in the neighborhood and north Fargo.

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

Factual basis: The City Commission has found that the proposed development is consistent with the goals that are embodied in the GO 2030 Comprehensive Plan. Most notably, the proposed development seeks to address several key initiatives of the GO 2030 plan, including initiatives for/to Promote Infill, Quality New Development, and High Quality Affordable Housing near NDSU. In addition, the proposed development conforms to the Roosevelt/NDSU Neighborhood Land Use Plan. The proposed use of the property is consistent with zoning, adjacent residential land use and transportation facilities. The proposed development will not burden the existing infrastructure as the property is served with the water and sewer main lines.

Subsection 1.4. Description of Renewal Area

The renewal area is located southwest of NDSU in the Roosevelt Neighborhood. This subsection provides maps showing information for properties on the block. The boundary of the renewal area is one area on the block, with the yellow line as the perimeter. This block is zoned University Mixed Use (UMU). See Attachment B.

There are 18 properties on the block, a mix of single-family, duplexes and multi-family buildings. There are three multi-family buildings, each with 12 housing units. Three of the properties are two unit buildings. There are also ten single-family houses. Seven of the single-family homes are quite old, being over 70 years old.

There are 7 properties in the renewal area. Of those seven properties, six are single-family houses and one appears to be single-family house converted to a two unit building. See Attachment C.

Bison Gold Investments is the owner of 7 of the 18 properties on the block. Two single-family houses on the block appear to be owner occupied. The other nine properties appear to be rental housing. See Attachment D.

There are two houses in the renewal area that are vacant, severely blighted and dilapidated. The owner of these properties plans to demolish these houses with the encouragement of the City. See Attachment E that shows the location of the dilapidated houses.

Subsection 1.5. Demolition of Structures and Redevelopment

Plans for the future redevelopment is not known at this time. It is expected to be multi-family housing for students and staff at North Dakota State University. The type of housing will depend on market conditions at the time of the development. The housing will comply with the current or future zoning of the area.

The Development of the Renewal Area includes the following initial activities:

Demolition & Site Cleaning/Grading – This cost is the estimate of the cost to remove existing buildings and foundations, trees and concrete, and inspect for and remove asbestos, plus fill and grade the site. The estimate is \$15,000 per structure. The City will encourage the owner of dilapidated and substandard properties on this block to demolish the properties and maintain the property as green space until new structures can be developed.

Land Acquisitions – The developer has already acquired the properties. Any public assistance for land purchase would be determined based on a financial review of future redevelopment plans.

Administration – Administration costs are equal to about five percent of the development assistance of the above costs.

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 advisors. The maximum allowed costs will be specified in the development agreement.

Subsection 1.6. Land Use Attributes.

- (a) Zoning. The property is zoned UMU (University Mixed Use). No zoning or platting changes are required to allow redevelopment on these properties.
- (b) The property is zoned UMU ((University Mixed Use), which allows commercial and requires residential density of 18 units per acre.
- (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 improvements.) The land use objective for this project complies with the UMU (University Mixed Use) zoning district, the redevelopment goals of the GO 2030 Comprehensive Plan and the Roosevelt Neighborhood Plan. The development provides for new residential dwelling units within an existing residential neighborhood.

Subsection 1.7. Redevelopment and Financing

The City of Fargo may consider providing Tax Increment Financing to assist with redevelopment of this area. However, a Tax Increment Financing is not being created as part of this renewal plan. Creation of a Tax Increment Financing District and an agreement to assist the developer would require amendment of this plan and adoption of a developer's agreement.

The City anticipates that implementation of this Renewal Plan may 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. If the City decides to provide costs those costs would be for property acquisition, demolition and site cleanup, and public works improvements.

If the City decides to finance certain costs of the Development, it will be through the issuance of a Tax Increment Financing Note to the Developer. The maximum term of the note would be 15 years. Based on current tax rates, annual TIF revenue would be approximately 1.4% of the increased value.

The amount of any public assistance will be based on City of Fargo Tax Increment Financing policies, a review of the financial needs of the project, the vacancy rate for apartments in the vicinity of NDSU and the quality of the new development.

By adoption of this Renewal Plan, the City of Fargo is encouraging owners of dilapidated structures to demolish those structures immediately and to maintain that property as green space until they are ready to build new on the property. Property owners are also encouraged to maintain existing structures to comply with city housing codes, or demolish the structures.

Subsection 1.8. Renewal Plan Amendments

The City anticipates that this Renewal Plan will be amended prior to final implementation. These amendments may, provide details on the new buildings, provide incentives to the developer, create a Tax Increment Financing District and incorporate a schedule for implementation.



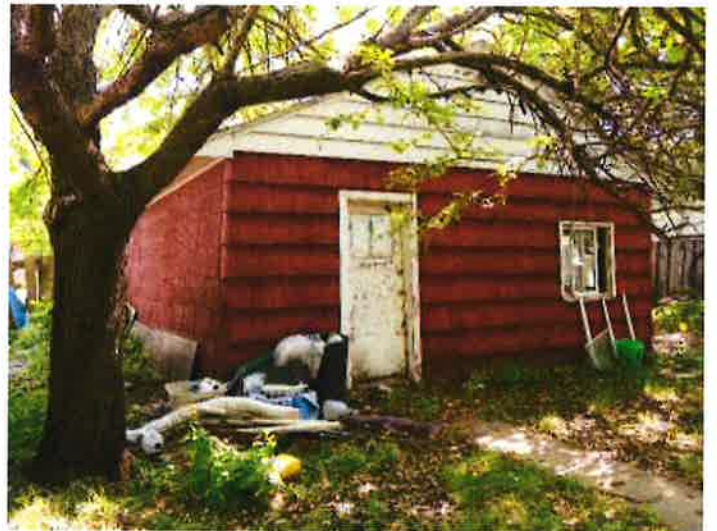
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1133 18th St N



1133 18th St N



1129 18th St N



1125 18th St N



1121 18th St N



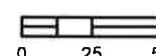
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 Renewal Area

Renewal Area 2018-03 Zoning

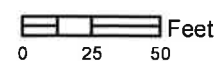
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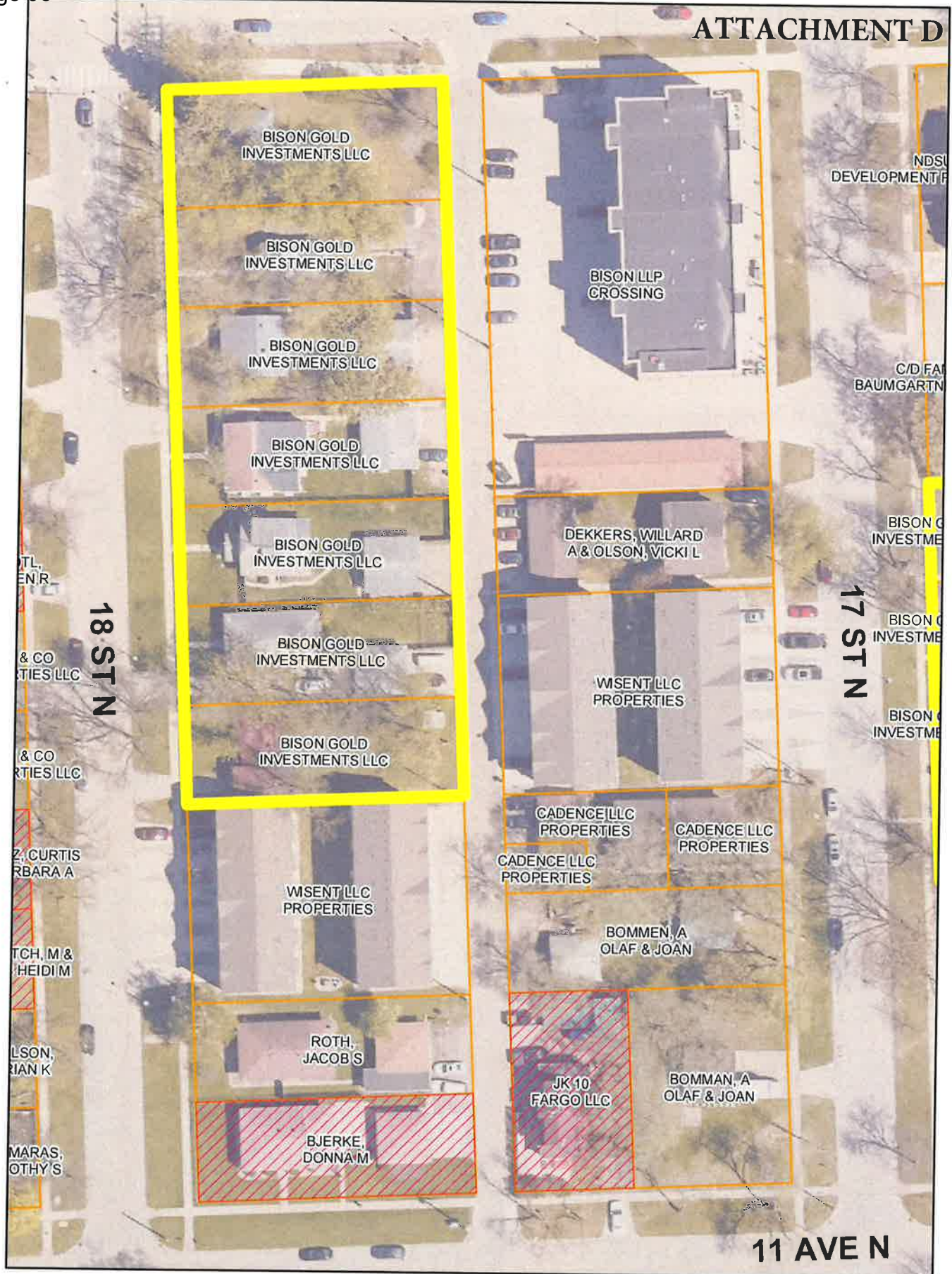


Renewal Area 2018-03

Year Built & Unit Count



ATTACHMENT D

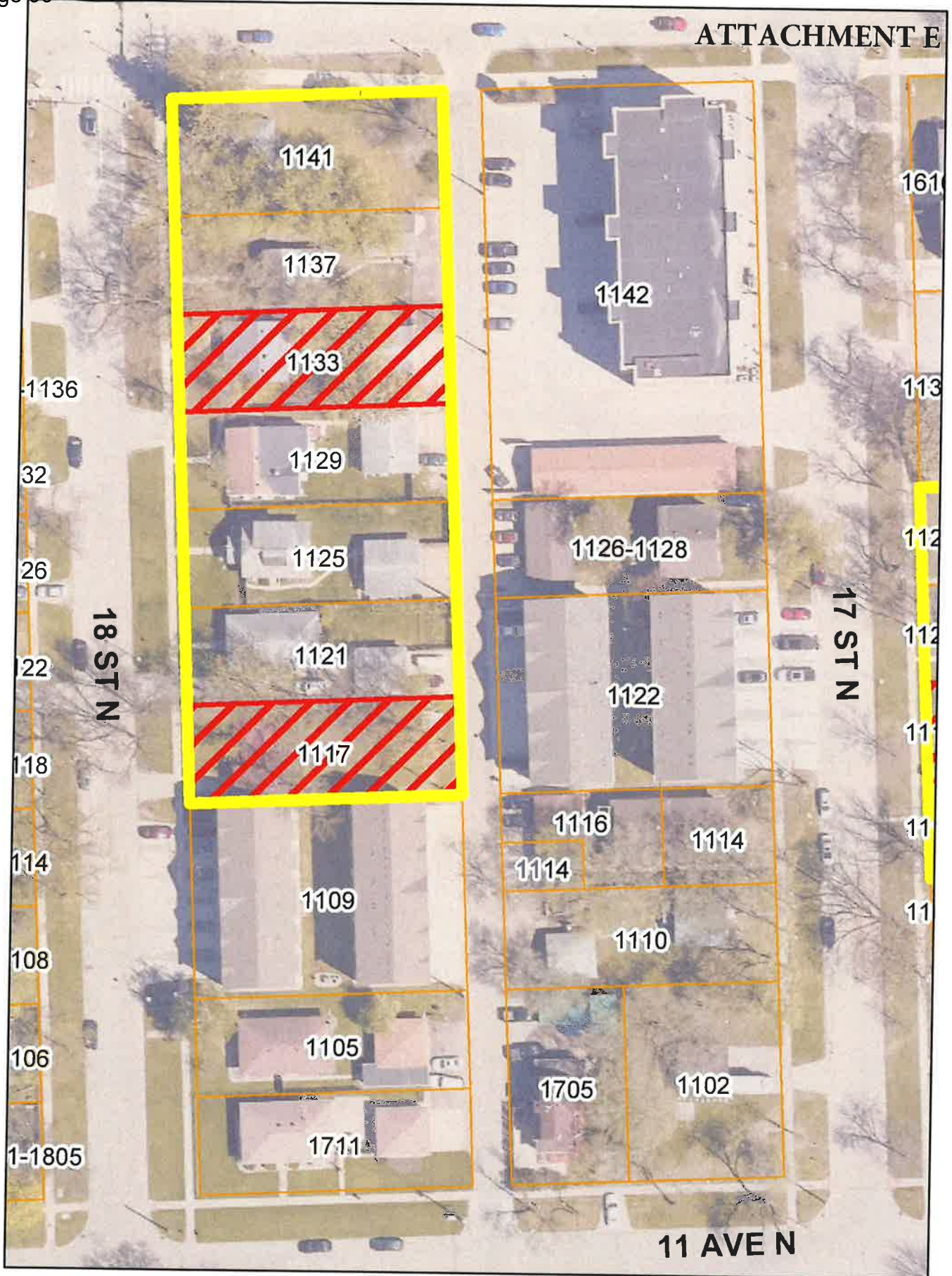


- Renewal Area
- Owner Occupancy

Renewal Area 2018-03

0 25 50 Feet





Renewal Area 2018-03

Dilapidated Houses to be Demolished

