



PLANNING AND DEVELOPMENT
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MEMORANDUM

TO: Renaissance Zone Authority
FROM: Barrett Voigt, Assistant Planner
DATE: June 27, 2018
RE: Renaissance Zone Authority Meeting

RENAISSANCE ZONE AUTHORITY Wednesday, June 27, 2018 at 8 a.m. (City Commission Room) Agenda

1. Approve Order of Agenda
2. Approve Minutes: Regular Meeting of September 27, 2017 (Attachment 1)
3. Approve Minutes: Regular Meeting of April 25, 2018 (Attachment 2)
4. Review application from DFI BA LLC (Rehabilitation) located at 109 & 111 Broadway North (Attachment 3)
5. Review application from North 500 Block LLC (Rehabilitation) located at 502 & 506 Broadway North (Attachment 4)
6. Commissioner Grindberg news release
7. Other Business

Renaissance Zone Authority meetings are broadcast live on cable channel TV Fargo 56 and can be seen live by video stream on www.FargoND.gov/streaming. They are rebroadcast each Friday at 2:30 p.m. for one month following the meeting.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Planning Office at 701.241.1474 or TDD at 701.241.8258. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo Web site at www.FargoND.gov/RenaissanceZoneAuthority.

Mike Zimney, representative from Kilbourne Group, explained that all apartments are currently vacant due to the unacceptable living conditions, and no on-site parking will be added so future tenants will need to utilize existing parking accommodations at area parking ramps and surface lots. Mr. LaPoint added the staff and the Parking Commission are discussing adding a different residential parking permit for downtown residents to purchase for parking in the existing City-owned parking sites.

Project Manager Heather McCord, Kilbourne Group, spoke on behalf of the application explaining the condition of the existing roofs and what repairs they are proposing.

Member Furness moved to recommend to the City Commission approval of the application submitted by DFI BG LLC, and to grant the property tax exemption and the State income tax exemptions as allowed by the North Dakota Renaissance Zone law, contingent upon completion of the project and verification of costs. Second by Member Swiontek. On call of the roll Members Piepkorn, Luchau, Furness, Swiontek, Peterson, Grindberg, Bresciani, and Mathern voted aye. The motion was declared carried.

Item 4: Other Business

Mr. LaPoint reported on the downtown tour discussed at last month's meeting, to visit some of the completed and in-progress developments that have been approved by this Board. Mr. LaPoint has contacted several of the property owners, and suggested scheduling this tour for November in lieu of the regularly scheduled Renaissance Zone meeting. He will keep the Board updated on the tour date, time, and schedule.

Mr. LaPoint also shared that staff is working with State Officials as they complete a comprehensive review of Fargo's existing Renaissance Zone program.

Mr. LaPoint stated there may not be an October Board meeting, unless staff receives applications.

The time at adjournment was 9:25 a.m.

**RENAISSANCE ZONE AUTHORITY
MINUTES**

Regular Meeting:

Wednesday:

April 25, 2018:

The Regular Meeting of the Renaissance Zone Authority of the City of Fargo, North Dakota, was held in the City Commission Room at City Hall at 8:00 o'clock a.m., Wednesday, April 25, 2018.

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

Present: Commissioner Dave Piepkorn, Bruce Furness, Cari Luchau, Chad Peterson, Steve Swiontek

Absent: Deb Mathern, Dr. Dean Bresciani, Commissioner Tony Grindberg

Acting Chair Commissioner Piepkorn called the meeting to order.

Item 1: Approve Order of Agenda

Member Furness moved the Order of Agenda be approved as presented. Second by Member Peterson. All Members present voted aye and the motion was declared carried.

Item 2: Minutes: Regular Meeting of November 15, 2017

Member Swiontek moved the minutes of the November 15, 2017 Renaissance Zone Authority meeting be approved. Second by Member Luchau. All Members present voted aye and the motion was declared carried.

Item 3: Review application from Ruby Rules, LLC (Rehabilitation) located at 321 4th Street North: APPROVED

Planning Director Nicole Crutchfield presented the proposal to rehabilitate the existing commercial office building at 321 4th Street North. Ms. Crutchfield stated staff is recommending approval as the proposal does meet the guidelines and all required approval criteria.

Member Swiontek moved to recommend to the City Commission approval of the application submitted by Ruby Rules, LLC, and to grant the property tax exemption and the State income tax exemptions as allowed by the North Dakota Renaissance Zone law, contingent upon completion of the project and verification of costs. Second by Member Peterson. On call of the roll Members Piepkorn, Luchau, Furness, Swiontek, and Peterson voted aye. Absent and not voting: Members Bresciani, Mathern, and Grindberg. The motion was declared carried.

Item 4: Other Business

Ms. Crutchfield presented updates regarding the following: recent staff changes and reorganization within the Planning and Development Department; increased activity

concerning the EPA Brownfields Grant; and the need for an updated downtown slum and blight study as it relates to the Downtown Master Plan.

Board discussion ensued requesting staff to present information at the next meeting about the new Federal Opportunity Zones and what that means for Fargo, and possible satellite blocks that may be suitable for future Renaissance Zone projects.

The time at adjournment was 8:20 a.m.



**Staff Report
Renaissance Zone Application for
DFI BA LLC (270-F)
109 & 111 Broadway North**

Project Evaluation:

The City of Fargo received a Renaissance Zone application from DFI BA LLC to rehabilitate the existing commercial building at 109 & 111 Broadway North. Pursuant to the application, the intent of the project is to complete an interior renovation to the Hancock Building to accommodate for 109 open offices on the 2nd and 3rd floors and retail space in the basement with access from the alley. The building has 3 levels and a basement and occupies 18,000 square feet. The rehabilitation would renovate and update the building with significant capital costs relating structural alterations, floors, and a replacement of HVAC and electrical systems.

The construction would begin in the summer of 2018 with the goal of completion in the winter of 2018.

The Planning Department has reviewed the application and has provided a project ranking based on the analysis below.

Lines 1: Use consistent with the RZ Plan (as per Visions and Goals): As noted in the 2015 Renaissance Zone Development Plan the desired land use on Block 11 is identified as: *Preservation and Rehabilitation*.. As proposed, the project will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:

1. *Activity Generator [goal]:* Develop activity-generating enterprises near Renaissance Zone's major commercial corridors: Broadway North and 2nd Avenue North.

The provision of office and retail space would increase the number of workers that occupy the building and create additional activity along Broadway North and 2nd Avenue North.

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

The proposed project would contribute additional destinations for commercial services and employment that can be accessed by the means of walking.

3. *Ground Floor Uses [goal]:* Reserve ground floor land uses to those that will encourage streets to come to life – shops, offices, cafes, restaurants and other "public" facilities.

The ground floor will not change and will continue to encourage the street to come to life.

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

Swanson Health Products occupies the ground floor and will remain on the ground floor to contribute to neighborhood center small grocer demands.

5. *Urban Design [goal]:* Projects will embody strong urban design principles inclusive of building massing and form, building materials, pedestrian orientated design, streetscape, building orientation and recognition

of the importance of defined block corners, architectural style, high building coverage percentages, limited setbacks or downtown district appropriate setbacks, design longevity and street level transparency.

6. *Transportation [goal]:* Manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial developments and will make the entire area more user-friendly.

The proposed project will be located on Broadway North along a pedestrian route, where bike infrastructure exists, and bus services are available.

7. *Safe Streets – Safe Neighborhoods [goal]:* Encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets.

The proposed project would add pedestrian activity to the area and increase the number of persons to provide surveillance of the area.

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

The proposed project will enhance an existing building by increasing the intensity of the use of the building and utilizing an underutilized basement space.

10. *Housing Amenities [goal]:* Integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones.
11. *Downtown Entryways [goal]:* Enhance auto entry experiences with landscaping improvements to all major corridors (Broadway, Roberts St, 1st/NP Avenue, Main Avenue) and gateway statements at Broadway/Main Avenue, Broadway/6th Ave N, 1st Avenue/Red River, Main Avenue/Red River and Main Ave/10th Street N.

The proposed project will contribute to the gateway statements at Broadway North.

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

The project would generate a destination for commercial services and sources of employment for visitors and residents alike.

13. *A Place Like No Other [goal]:* Highlight the unique historic character of the Renaissance Zone by placing a high value on historic preservation and overall awareness of the history of the area.
14. *24 Hours a day – 7 Days per Week – 365 Days a Year [goal]:* Design spaces, facilities and features that will attract people to the area both day and night, on weekdays and weekends, and during all seasons of the year.

After project completion, it is anticipated that the building will attract an increased number of employees and patrons that would result in increased time durations that the building is occupied.

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

It is anticipated that the project would result in a higher intensity of use that would contribute to the sense of community by further enhancing the connection of people and the downtown area.

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

The applicant proposes only minor changes to building façade.

(10/ 10 points)

Line 3: Does the investment comply with the minimum State standard that requires an investment of no less than 50% of the current true and full valuation of the building?:

The property building is currently assessed \$1,371,000. The applicant has proposed a total rehabilitation investment of \$1,179,000, which exceeds the required 50% investment guideline. These improvements will result in \$48.70 per SF (RZ minimum is \$25 per SF for residential and \$40 per SF for commercial) being invested into the existing space.

(10 / 10 points)

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

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

According to the application, the structure accommodates 24,357 square feet. The application estimates a total capital investment of \$1,179,000 which calculates to approximately \$48.70 per SF.

(10 / 10 points)

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

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

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

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

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

Primary Sector Business: N/A

Active Commercial, Specialty Retail or Destination Commercial: The proposed project will offer commercial services and an employment destination within the downtown area.

Mixed Use Development: The project proposes a mix of office and retail use.

(9 / 10 points)

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

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

The proposed project will provide investment in a property that will provide opportunities for several more intense uses.

(5/5 points)

- 2) Parcels specifically targeted for clearance:

The RZ Plan designates Block 11 as being appropriate for preservation and rehabilitation. The proposed project meets these objectives by redeveloping an existing building for future commercial uses.
(5/5 points)

(10 / 10 points)

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

This project will contribute to street level activation by increasing the number of employees and patrons that would utilize the building.

(9 / 10 points)

Line 12: Consideration and analysis as to the total actual investment in the project:

As proposed, the rehabilitation project and improvement costs exceed both the 50% (true and full value of the building) and \$40 per square foot requirement. As previously noted, the application represents a total estimated investment of \$1,425,805.

(10 / 10 points)

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

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

(10 / 10 points)

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

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

(8 / 10 points)

Summary:

This application received a score of 96 on a 100-point scale. The applicant met all required criteria and the use is consistent with the RZ Plan. In addition, the proposed rehabilitation project surpasses the local capital improvement requirement of \$40 per square foot capital improvement for commercial rehabilitation. New construction must meet \$100 per square foot capital investment threshold.

This project is consistent with the RZ Plan as activity generators and walkable districts are important initiatives highlighted in the plan. The proposal will increase activity and contribute to the vitality of the downtown area along Broadway North.

The amount invested in the project exceeds state and local guidelines. The project does not involve the relocation of commercial businesses from another North Dakota city. The applicant is not seeking historic preservation tax credits.

This project will make use of a structure that is currently underutilized. Staff believes that this project will be a benefit to the downtown community and will positively contribute to the health of surrounding businesses.

Suggested motion:

Recommend approval to the Fargo City Commission to approve the application submitted by DFI BA LLC and to grant the property tax exemption and the State income tax exemptions as allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.

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

		Possible Rating	Staff Rating
1	Use consistent with the plan (as per Vision and Goals)	10	10
2	Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building	10	10
3	Re-investment that totals no less than 50 percent of the current true and full valuation of the building	10	10
4	The investment totals at least \$40 in capital improvements per square foot for commercial properties or \$25 in capital improvements per square foot for residential properties (The authority may waive the square foot investment requirement for certain projects)	10	10
Minimum Criteria (Proposals involving new construction or additions)			
6	Use consistent with the plan (as per Vision and Goals)	N/A	NA
7	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	N/A	NA
8	Tenant must be leasing space in a building that has been approved as a Zone project	NA	NA
Project Review Guidelines			
9	The new construction or proposed improvements are representative of "High Priority Land Uses" as defined in the RZ Plan: <ul style="list-style-type: none"> • Primary sector business • Active Commercial, Specialty Retail and/or Destination Commercial • Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion) • Large, upscale residential units 	10	9
10	The investment is located in a 'Target Area' as defined by the RZ Plan: <ul style="list-style-type: none"> • Parcels that have been vacant or underutilized for an extended period of time • Parcels specifically targeted for clearance 	10	10
11	The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation: <ul style="list-style-type: none"> • Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration • Demonstrated commitment to strengthening pedestrian corridors and issues of "connection" • Attention to streetscape amenities • Contribution to street activity 	10	9
12	Consideration and analysis as to the total actual investment in the project: <ul style="list-style-type: none"> • Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment) 	10	10
13	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: <ul style="list-style-type: none"> • Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority • Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority. 	10	10
14	Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective? <ul style="list-style-type: none"> • Although not included in the Project Review Guidelines, historic preservation is considered an important component of downtown projects even when Historic Preservation and Renovation Tax Credits are not being requested. 	10	8
Total Rating (100 possible points)		100	96



3 AVE N

2 AVE N

Subject Properties

5 ST N

BROADWAY N

ROBERTS AVE N

1 AVE N

NORTHERN PACIFIC AVE N

CITY OF FARGO RENAISSANCE ZONE PROJECT APPLICATION

REHABILITATION OR PURCHASE (Renovation)

Attn: This application must be approved by all local and state review entities prior to beginning rehabilitation work.

1. Street address, legal description, and Renaissance Zone Block number of proposed project. If the proposed project involves more than one parcel, please provide relevant information for each parcel.

109/111 BROADWAY N
Lot 20 & 21, Block 8, Keeney & Devitts 1st
PIN - 01-1520-00780-000
Renaissance Zone Block 11

2. Current property owner(s).

DFI BA LLC

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

DFI BA LLC
210 Broadway, Suite 300
Fargo, ND 58102

4. Current use of property

109/111 Broadway (Hancock)

Swanson Health is located on the ground floor in a 50ft wide storefront.

The two uppers floors house the Lotus Room and a mix of offices that expanded from the adjacent Spirit Room.

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

109 Broadway – 24,357sf (building) & 7,032 (lot)

Basement –6031

1st –6170

2nd –6020

3rd – 6136

Describe the impact this project has on any historical properties

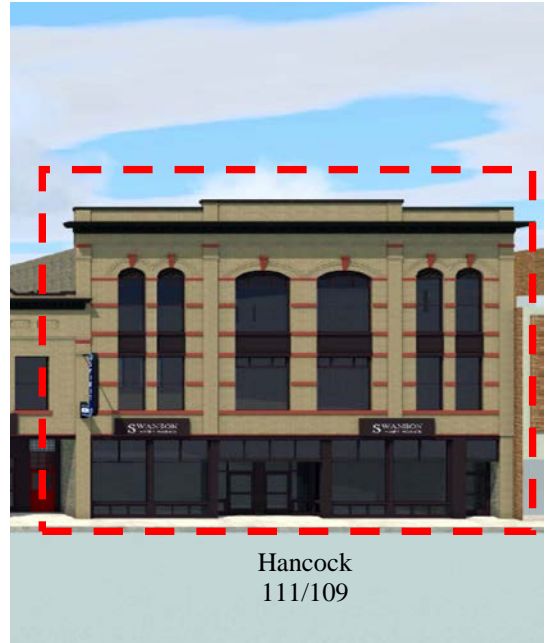
109/111 Broadway - Hancock

The Hancock building was built in 1903 and owned by Fargo architects George and Walter Hancock. The Hancock brothers designed many of the buildings in downtown Fargo following the great fire of 1893 and were the state's first two licensed architects. The building was designed in the Classical Revival style with tall keystones over the windows.

W.O. Olsen Furniture moved his store from 514 Front St (Main Ave) to 109 Broadway in 1903. In 1912 the furniture store moved and J. Roen and Co., a clothing store opened. In 1915 the E.A. Ricker department store opened in this space. In 1927, the Waterman-Ohm department store opened.

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

Renovation



6. **Project Description.**

The Hancock project consists of the renovation of the upper floors of 109 into open offices. The two upper floors will be designed to allow open office space with shared bathrooms. The basement will be renovated to new retail or food & beverage space with access off the alley.

The ground floor commercial space facing Broadway will have no changes.

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

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

- \$1.43M investment resulting in \$78 per square foot for the renovation of the basement, second and third floors. When including the first floor, which will not be renovated, the investment equals \$58/sf.
- Anticipated start Summer 2018
- Anticipated completion Winter 2018
- Approximately 12,000 square feet of open office.

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

Activity Generators

The new open offices will provide affordable collaborative design centers for larger groups that may not be able to afford traditional office space. This will provide a large space for new teams to occupy downtown office space. The new design will also result in more people working in the building which benefits downtown.

Walkable Districts.

These historic buildings already support walkability through good urban design – mixed use, tall storefronts with large amounts of glass and frequent doors, and active ground floor uses. Very little will change along Broadway through this project.

Ground Floor Uses

The ground floor will stay as is with little to no changes along Broadway.

Neighborhood Center

Swanson Health Products on the ground floor will remain in this building and serves as an important small grocer option in the heart of downtown.

Transportation Issues

Broadway is downtown’s most important street and generates significant traffic counts, likely has the highest foot traffic in the state, and is bike friendly. The cross streets of 2nd and 4th Ave north are served by several different bus routes, including Link FM. To the north of the project is a Great Rides Bike Share station. The location is also near the Civic and Roberts Commons Parking Garages.

Safe Streets – Safe Neighborhoods.

The project’s office spaces and their resulting residents will contribute to the already existing natural surveillance along Broadway.

Infill

This project is located on a parcel fully developed. The renovation of the basement would utilize an alley entrance and result in greater utilization of the building.

Downtown Entryways

The project is located along Broadway and will contribute to this already existing signature corridor of downtown.

The Place to Be

Downtown is the cultural heart of downtown. The addition of more workers only enhances the ability of downtown to be the destination for the region.

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

The completed project will add additional office workers to the central business district

Connections and Coordination.

This mixed-use project will further enhance the activity along Broadway and help expand that energy beyond Broadway.

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

Very little noticeable change will occur along this building’s Broadway facade.

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

High Priority Land Use

This mixed-use project already includes active retail commercial and will add new office space on the upper floors and additional retail in the basement.

Public Space

These lots are fully built out and eliminate any possibility of creating civic space.

Investment

DFI BA LLC will be making a \$1.43M investment into this project, resulting in a planned \$78/SF of capital improvements. The \$1.43M investment also exceeds the Renaissance Zone’s requirement of greater than 50% of the existing buildings value (\$1,371,000) which would be \$733,000.

Relocation

The ground floor commercial tenant will remain. Upper floors will be an increased number new office users and a new retail tenant will be targeted the basement.

Historic District

The project is located in the Downtown Fargo Historic District and the project would revitalize the historic buildings.

11. **List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.**

The project funding will be 75% financed and 25% privately funded.

12. **Estimated tax impact of Zone incentives to the applicant: List the current true and full value of the building, the current annual property tax on the building, the estimated value of the building after improvements have been completed, and the estimated five-year impact. Estimate the potential annual income tax savings.**

Current true and full value: \$1,466,000 (Land = \$95,000 Buildings=\$1,371,000)

Current annual property tax on building (2017):

- 109/111 Broadway = \$15,304.56

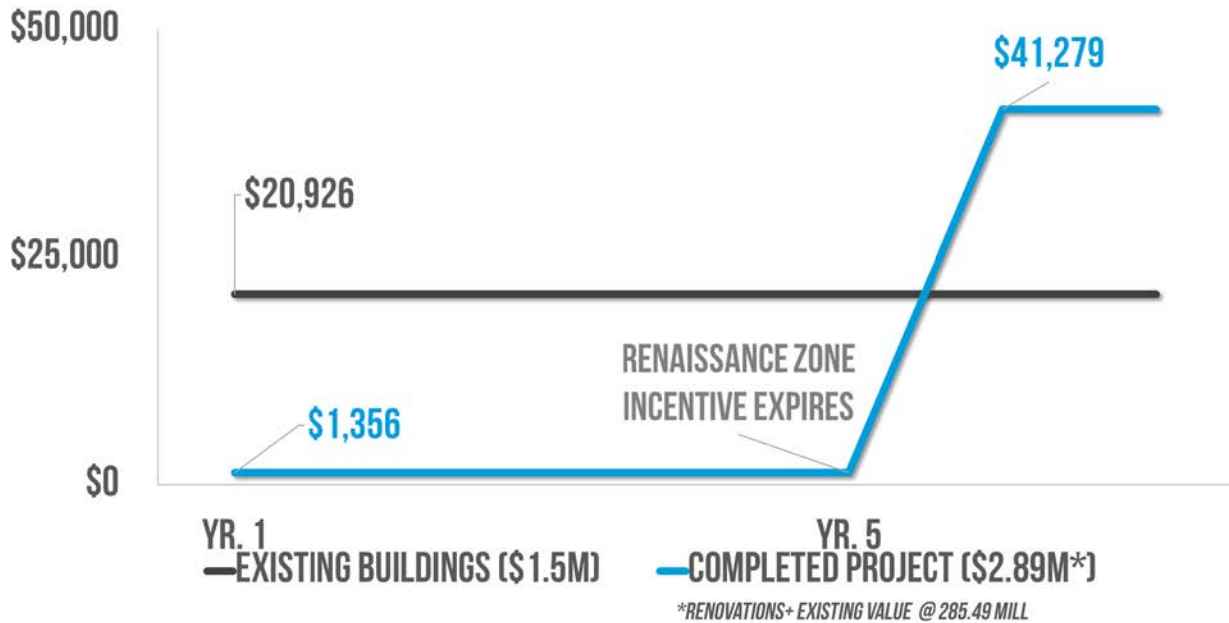
Estimated value of the buildings after improvements: \$2,891,805*

Estimated five-year impact: \$206,395 (285.49 Mill Levy)

Potential annual income tax savings: \$1,000

*Construction Budget (\$1.43M) + Existing Value

HANCOCK & DOUGLAS EST. ANNUAL PROPERTY TAX REVENUE



13. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (see Attachment E) and receipt showing proof that local taxes have been paid.

Request has been submitted to the State.

DFI BA, LLC Renaissance Zone Application	
Project Cost Estimate for Capital Improvements Project: Hancock 109/111	
Planned Improvements	
Demolition	\$ 55,000
Framing & Walls	\$ 78,000
HVAC	\$ 27,000
Electrical	\$ 60,000
Floor Covering	\$ 26,000
Fit-Up	<u>\$ 1,179,805</u>
Planned Capital Improvements	\$ 1,425,805
EXISTING At least \$40/SF in capital improvements	
Total Planned Capital Improvements	\$ 1,425,805
Total Square Feet (All Floors)	24,357
Planned Capital Improvements/SF	\$ 58.54
Total Square Feet (Renovated Floors)	18,187
Planned Capital Improvements/SF	\$ 78.40
Requirement: Investment at least 50% of Current Value	
Current True and Full Value	\$1,466,000
1/2 Current True and Full Value	\$ 733,000
Planned Capital Improvements	\$ 1,425,805



**Staff Report
Renaissance Zone Application for
North 500 Block, LLC (273-F)
502 & 506 Broadway North**

Project Evaluation:

The City of Fargo received a Renaissance Zone application from North 500 Block, LLC to rehabilitate the existing commercial building at 506 and 508 1/2 Broadway North and construct an addition to the building on 502 Broadway North. Pursuant to the application, the intent of the project is to complete an interior renovation of the Idelkope Building and construct an addition on the adjacent lot to accommodate for a bar and restaurant. The Idelkope Building has 2 levels that occupies 5,040 square feet and the proposed addition would provide an additional 3,331 square feet. The rehabilitation would renovate and update the building with significant capital costs relating structural alterations, floors, and HVAC systems, and windows.

The construction would begin in the summer of 2018 with the goal of completion in the winter of 2018.

The Planning Department has reviewed the application and has provided a project ranking based on the analysis below.

Lines 1: Use consistent with the RZ Plan (as per Visions and Goals): As noted in the 2015 Renaissance Zone Development Plan the desired land use on Block 2 is identified as: *Mixed Use*. As proposed, the project will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:

1. *Activity Generator [goal]:* Develop activity-generating enterprises near Renaissance Zone's major commercial corridors: Broadway North.

The provision of a proposed bar and restaurant retail space would increase the intensity of the properties Broadway North.

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

The proposed project would contribute additional destinations for commercial services and employment that can be accessed by the means of walking.

3. *Ground Floor Uses [goal]:* Reserve ground floor land uses to those that will encourage streets to come to life – shops, offices, cafes, restaurants and other "public" facilities.

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

5. *Urban Design [goal]:* Projects will embody strong urban design principles inclusive of building massing and form, building materials, pedestrian orientated design, streetscape, building orientation and recognition of the importance of defined block corners, architectural style, high building coverage percentages, limited setbacks or downtown district appropriate setbacks, design longevity and street level transparency.

The proposed project would embody strong urban design principles by incorporating pedestrian orientated design. Street level transparency would be increased by removing air condition units from existing windows and replacing existing windows with new windows. In addition, a rooftop deck would be constructed to further activate the streetscape.

6. *Transportation [goal]:* Manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial developments and will make the entire area more user-friendly.
7. *Safe Streets – Safe Neighborhoods [goal]:* Encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets.
8. *High Quality Housing [goal]:* Continue to encourage the production of unique high quality housing that is developed in areas targeted for residential development or as a component of a mixed-use project.
9. *Infill [goal]:* Encourage and actively pursue projects that increase the productivity of underutilized property such as surface parking lots, vacant land and parcels with low building to land value ratios. Infill projects shall conform and be consistent with urban design principles as set forth in Goal 5, above.
10. *Housing Amenities [goal]:* Integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones.
11. *Downtown Entryways [goal]:* Enhance auto entry experiences with landscaping improvements to all major corridors (Broadway, Roberts St, 1st/NP Avenue, Main Avenue) and gateway statements at Broadway/Main Avenue, Broadway/6th Ave N, 1st Avenue/Red River, Main Avenue/Red River and Main Ave/10th Street N.

The proposed project would enhance the aesthetic auto entry experience to Broadway North.

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

The project would generate a destination for commercial services and a source of employment.

13. *A Place Like No Other [goal]:* Highlight the unique historic character of the Renaissance Zone by placing a high value on historic preservation and overall awareness of the history of the area.
14. *24 Hours a day – 7 Days per Week – 365 Days a Year [goal]:* Design spaces, facilities and features that will attract people to the area both day and night, on weekdays and weekends, and during all seasons of the year.
15. *Connections and Coordination [goal]:* ... Strong connections between people, places and things to do are vital to creating a strong sense of community.

It is anticipated that the project would create a continuity of building improvements to the north portion of Broadway and connect the north portion of Broadway to the southern portion aesthetically.

(8/10 points)

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

The applicant proposes only minor changes to the existing building façade by providing a restorative cleaning of the exterior. However, a new addition will be provided.

(10/ 10 points)

Line 3: Does the investment comply with the minimum State standard that requires an investment of no less than 50% of the current true and full valuation of the building?:

The property building is currently assessed \$556,000. The applicant has proposed a total rehabilitation investment of \$700,050 which exceeds the required 50% investment guideline. These improvements will result in \$83.62 per SF (RZ minimum is \$25 per SF for residential and \$40 per SF for commercial) being invested into the existing space.

(10 / 10 points)

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

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

According to the application, the structure accommodates 8,371 square feet. The application estimates a total capital investment of \$700,050, which calculates to approximately \$83.62 per SF.

(10 / 10 points)

Line 5: Sub-Total: The sub-total of lines 1–4 equals 38 points.

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

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

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

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

Primary Sector Business: N/A

Active Commercial, Specialty Retail or Destination Commercial: The proposed project will activate a vacant second floor into commercial space.

Mixed Use Development: N/A

(6 / 10 points)

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

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

The proposed project will provide investment in a property that will provide opportunities for several more intense uses and activate an empty second floor.

(5/5 points)

- 2) Parcels specifically targeted for clearance:

The RZ Plan designates Block 2 as being appropriate for mixed use. The proposed project meets this objective by redeveloping an existing building for future commercial uses and adding to the mix of use of the area in general.

(2/5 points)

(7 / 10 points)

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

This project will contribute to street level activation by providing a rooftop patio.

(10 / 10 points)

Line 12: Consideration and analysis as to the total actual investment in the project:

As proposed, the rehabilitation project and improvement costs exceed both the 50% (true and full value of the building) and \$40 per square foot requirement. As previously noted, the application represents a total estimated investment of \$700,050.

(10 / 10 points)

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

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

(10 / 10 points)

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

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

(10 / 10 points)

Summary:

This application received a score of 91 on a 100-point scale. The applicant met all required criteria and the use is consistent with the RZ Plan. In addition, the proposed rehabilitation project surpasses the local capital improvement requirement of \$40 per square foot capital improvement for commercial rehabilitation. New construction must meet \$100 per square foot capital investment threshold.

This project is consistent with the RZ Plan as activity generators and walkable districts are important initiatives highlighted in the plan. The proposal will increase activity and contribute to the vitality of the downtown area along Broadway North.

The amount invested in the project exceeds state and local guidelines. The project does not involve the relocation of commercial businesses from another North Dakota city. The applicant is not seeking historic preservation tax credits.

This project will make use of a structure that is currently underutilized and provide infill development on an existing surface parking lot. Staff believes that this project will be a benefit to the downtown community and will positively contribute to the health of surrounding businesses.

Suggested motion:

Recommend approval to the Fargo City Commission to approve the application submitted by North 500 Block, LLC and to grant the property tax exemption and the State income tax exemptions as allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.

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

		Possible Rating	Staff Rating
1	Use consistent with the plan (as per Vision and Goals)	10	8
2	Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building	10	10
3	Re-investment that totals no less than 50 percent of the current true and full valuation of the building	10	10
4	The investment totals at least \$40 in capital improvements per square foot for commercial properties or \$25 in capital improvements per square foot for residential properties (The authority may waive the square foot investment requirement for certain projects)	10	10
Minimum Criteria (Proposals involving new construction or additions)			
6	Use consistent with the plan (as per Vision and Goals)	N/A	NA
7	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	N/A	NA
8	Tenant must be leasing space in a building that has been approved as a Zone project	NA	NA
Project Review Guidelines			
9	The new construction or proposed improvements are representative of "High Priority Land Uses" as defined in the RZ Plan: <ul style="list-style-type: none"> • Primary sector business • Active Commercial, Specialty Retail and/or Destination Commercial • Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion) • Large, upscale residential units 	10	6
10	The investment is located in a 'Target Area' as defined by the RZ Plan: <ul style="list-style-type: none"> • Parcels that have been vacant or underutilized for an extended period of time • Parcels specifically targeted for clearance 	10	7
11	The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation: <ul style="list-style-type: none"> • Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration • Demonstrated commitment to strengthening pedestrian corridors and issues of "connection" • Attention to streetscape amenities • Contribution to street activity 	10	10
12	Consideration and analysis as to the total actual investment in the project: <ul style="list-style-type: none"> • Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment) 	10	10
13	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: <ul style="list-style-type: none"> • Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority • Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority. 	10	10
14	Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective? <ul style="list-style-type: none"> • Although not included in the Project Review Guidelines, historic preservation is considered an important component of downtown projects even when Historic Preservation and Renovation Tax Credits are not being requested. 	10	10
Total Rating (100 possible points)		100	91



7 ST N

6 AVE N

Subject Properties

BROADWAY N

ROBERTS ST N

4 AVE N

APPLICATION FOR RENAISSANCE ZONE

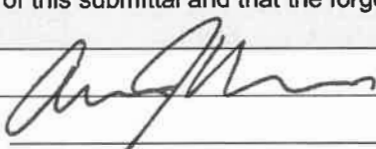
Property owners, business owners, developers or investors interested in pursuing a Renaissance Zone project should review the *2015 RZ Plan*. The RZ Plan delineates the current geographical boundaries of the program (only certain blocks within the downtown core are included) and provides additional detail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

Contact Information	Representation Information <i>(if applicable)</i>
Name <i>(printed)</i> : <u>Austin Morris</u>	Name <i>(printed)</i> : _____
Address: <u>1 2nd St N Ste 102, Fargo ND</u>	Address: _____
Primary Phone: <u>701-361-4840</u>	Primary Phone: _____
Alternative Phone: <u>701-478-4300</u>	Alternative Phone: _____
Email: <u>austin@enclavecompanies.com</u>	Email: _____

Location of property involved in the application decision
Address or Parcel Number: <u>508 1/2; 506; 502 Broadway</u>
Legal Description <i>(attach separate sheet if more space is needed)</i> : <u>Lot 6 & 7, of Kirkham's Subdivision of Block E of Chapin, Johnson and Barrett's Addition</u>

Application Type <i>(Please place "X" next to corresponding application type requested)</i>
New Construction <input type="checkbox"/>
Rehabilitation <input checked="" type="checkbox"/>
Residential Purchase <input type="checkbox"/>
Lease <input type="checkbox"/>

Project Description <i>(Brief project summary)</i>
<u>Full rehabilitation, adaptive reuse remodel of the first & second floor into a restaurant and bar with an addition on the lot south of the existing building</u>

Acknowledgement – We hereby acknowledge that we have familiarized ourselves with the rules and regulations to the preparation of this submittal and that the forgoing information is true and complete to the best of our knowledge.	
Owner <i>(Signature)</i> : <u></u>	Date: <u>6/15/18</u>
Representative <i>(Signature)</i> : _____	Date: _____

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

CITY OF FARGO
RENAISSANCE ZONE PROJECT APPLICATION

REHABILITATION OR PURCHASE (NEW CONSTRUCTION)

Attn: This application must be approved by all local and state review entities prior to beginning rehabilitation work.

- 1. Street address, legal description, and Renaissance Zone Block number of proposed project. If the proposed project involves more than one parcel, please provide relevant information for each parcel.**

508 1/2 Broadway North
506 Broadway North
502 Broadway North
Fargo, North Dakota

Lot 6 and Lot 7, of Kirkham’s Subdivision of Block “E” of Chapin, Johnson and Barrett’s Addition to the City of Fargo, Cass County, North Dakota.

Renaissance Zone Block Number: 3A

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

North 500 Block, LLC and Icon Properties, LLP as tenants-in-common.

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

North 500 Block, LLC
1 2nd Street N, Suite 102
Fargo, ND 58102

North Dakota Limited Liability Company

- 4. Current use of property.**

The ground floor is currently retail storefront and in an occupiable condition. The second floor is currently vacant open space.

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

Lot size: 2,584 sf plus 5,715 empty lot

Building size: approximately 2,520 sf per floor (2 levels), plus an addition of 3,331 sf. Total = 8,371 sf

Describe the impact this project has on any historical properties

The subject property was built in 1914. The address 506 Broadway is the main level retail space and 508 ½ Broadway is the second floor of the Idelkope Building. In 1932, the second floor was known as the Continental Hotel. From 1930 to 1936, it was known as the Northern Hotel. Later, it was known as the Langholt Hotel and is now known as the Terrace Apartments.

The property is on a hard corner that serves as the north bookend of Broadway and is directly across Broadway from the Ford Building. With its integral location on Broadway, it is important that the property remain vibrant and reach its highest and best use for the Fargo community.

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

The proposed project is a full rehabilitation, adaptive reuse remodel of the first and second floor into a restaurant and bar with an addition on the lot south of the existing building. The windows need to be replaced in order for the space to reach greater energy efficiency and improved lighting. The exterior of the property will be unchanged other than an overdue surface cleaning to restore the exterior to its original condition.

The restaurant and bar, with access to a rooftop deck above the new building, will have a distinct downtown character accomplished by revealing and rejuvenating the wood, steel, and brick of the existing structure. All aspects of the renovation will be geared toward maintaining the historic value of the property.

7. Project Description. Describe scope of work, including a detailed cost estimate of the work to be completed, and justification that the improvements will meet the State's 50% investment criteria.

The ceilings will be fully exposed to reveal the existing structural detail. All ceiling lighting, electrical, and HVAC will remain exposed (electric in steel conduit). The floors will be finished with a hard surface product appropriate for a restaurant and bar. The windows will be replaced with code-approved aluminum or fiberglass windows.

The new building addition will mix urban design aesthetics with historic and be functionally appropriate to allow easy access between the new and historic building. Materials will blend nicely between new and historic building so the interior feels like one vibrant space.

The preliminary construction cost estimate for the fit up work performed on the property will total approximately \$700,000. The properties are currently valued at a combined \$315,400 for 2017. This adaptive reuse project will significantly increase the properties' value, future ad valorem taxes to the City, and increase the overall appeal of Fargo's downtown.

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

This project meets all Renaissance Zone guidelines as defined in Attachment B. A break out of the capital improvements and adherence to the City's investment guidelines is as follows:

1) Use consistent with the plan, as per "Vision and Goals" and "Redevelopment Strategies" outlined in this document

In addition to the criteria more specifically detailed below, this project will increase the diversity and vibrancy of Fargo's downtown community. The north end of Broadway has received less attention than any blocks south of the property, toward Main Avenue. Rejuvenation of the property will further balance the effort and focus already present in Fargo's downtown.

2) Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building.

This project will revitalize the exterior of the property. The original brick exterior is currently intact, but would greatly benefit from a long awaited cleaning. In addition, replacing the 1960s-era windows with new windows will reinstate the exterior aesthetic of the property.

3) Minimum level of investment

This project meets the commercial investment threshold. The estimated cost of the project, stated above, equates to 222% of the total value of the property and will result in a cost of \$84 per square foot.

4) Project scope that addresses the interior and exterior of the building in a comprehensive and complete manner.

The scope of the project is extensive. The property exterior will be cleaned and restored.

As previously stated, the first, second, and new addition will be brought to a finish level expected of a high quality downtown restaurant and bar.

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

The completed project will consist of one restaurant and bar tenant. The estimated completion month is December 2018 with tenant occupancy to occur shortly thereafter.

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

N/A.

8. Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible (see also Attachment B)

Activity Generators. In its current state, the property generates very little activity for the downtown community. The former sleeping rooms on the second were functionally obsolete and impossible to keep occupied due to the unit sizes (150 sf), general lack of amenities and deferred maintenance. By transforming the property into a restaurant and bar, the property will generate significantly more activity due to visiting clients/customers during lunch hour, evening dining, and after dinner food and beverage.

Walkable Districts. The project will improve the overall walkability of the downtown community by creating an additional attraction on the extreme north end of Broadway. Moreover, the restaurant and bar will complement the existing retail and restaurant businesses operating on the same block of Broadway. Office workers, clients/customers, and other office visitors will be regular pedestrian visitors to the property.

Urban Design. The project will expose the structural materials (wood beams, steel plating, and original brick) on the interior of the property. Additionally, replacing the windows and removing the window air conditioning units will create an exterior that is much more inviting to pedestrians and others viewing the property from Broadway. Moreover, with natural light passing through the entire space, from exterior wall to exterior wall, the property will be much more appealing both inside and out. The rooftop deck will further activate the streetscape, adding a very unique amenity during the summer months downtown.

Downtown Entryways. The property is located at the north entry to the Broadway downtown community. Currently, the property is underutilized and overlooked. Transforming the property to a restaurant and bar will create additional positive aesthetic appeal at the north entry of Broadway.

The Place to Be. The restaurant and bar will increase activity in the downtown community. The additional employees and clients/customers visiting the property will be likely to participate in the downtown community activity simply due to proximity and exposure to downtown. We are confident the project will provide additional strength and support to the downtown community and we're excited to see it in action.

Connections and Coordination. The project will further balance the revitalization efforts focused on the downtown community. The Ford Building is a beautiful property and great asset of the north portion of Broadway. With so many incredible projects completed or underway throughout the south portion of Broadway, the project will provide further continuity in the connections throughout the entire downtown stretch of Broadway.

9. Extent of the exterior rehabilitation (demonstrated improvement to “public” face of building) – include plans and/or renderings, if available. Please include floor plans if you have them.

The project will include a restorative cleaning of the property exterior. Additionally, the project will include replacing all windows on the second floor. Last, all window air conditioning units will be removed and replaced with a new central air unit, which will significantly improve the exterior aesthetic value of the property. The addition will feature aesthetically appropriate materials for downtown and meet city requirements.

10. Describe how the project fits under the Zone’s development guidelines (See also Attachment C)

This project meets 4 of the 5 Development Guidelines in the following ways:

- High priority land use: This project will convert the second floor of the property from vacant space to rented space on the north end of Broadway.
- Target areas: With the property situated in the 500 block of Broadway, this project will significantly improve the north downtown entryway.
- Public space: This project will feature Broadway facing patio space and a rooftop patio fronting Broadway. The project will increase pedestrian traffic on the north end of downtown and add more pedestrian focused character to the North 500 Block.
- Investment: The project will require capital investment of \$700,000, which is more than twice the total property value and will amount to a cost of \$84 per square foot.

11. List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.

For this project to move forward, it is necessary that it be approved for Renaissance Zone benefits, including the full real estate tax abatement and the maximum allowable income tax abatement for the property owners. Under the current budget, this project is not financially viable without both of these benefits. The owners are excited to make this commitment and contribution to the downtown community and look forward to positively impacting Fargo’s downtown community.

12. Estimated tax impact of Zone incentives to the applicant: List the current true and full value of the building, the current annual property tax on the building, the estimated value of the building after improvements have been completed, and the estimated five-year impact. Estimate the potential annual income tax savings. There will be no involvement of a Renaissance Zone Fund.

Current Assessed Value: \$280,400

Current Annual Property Taxes: \$4,003

2018 Estimated Value After Improvements: \$955,600

5 Year Impact of Property Tax Abatement: \$20,985

Estimated Income Tax Savings: \$0.00

- 13. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (see Attachment E) and receipt showing proof that local taxes have been paid.**

North 500 Block, LLC and Icon Properties, LLP have submitted applications for a certificate of good standing and will provide upon receipt.

Attachment B

- A. As noted in the 2015 Renaissance Zone Development Plan the desired land use on Block 3A will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:
1. Activity Generators. In its current state, the property generates very little activity for the downtown community. The former sleeping rooms on the second were functionally obsolete and impossible to keep occupied due to the unit sizes (150 sf), general lack of amenities and deferred maintenance. By transforming the property into a restaurant and bar, the property will generate significantly more activity due to visiting clients/customers during lunch hour, evening dining, and after dinner food and beverage.
 2. Walkable Districts. The project will improve the overall walkability of the downtown community by creating an additional attraction on the extreme north end of Broadway. Moreover, the restaurant and bar will complement the existing retail and restaurant businesses operating on the same block of Broadway. Office workers, clients/customers, and other office visitors will be regular pedestrian visitors to the property.
 3. Ground Floor Uses. The ground floor of this building will be a restaurant and bar.
 4. Neighborhood Center. In addition to the criteria more specifically detailed below, this project will increase the diversity and vibrancy of Fargo's downtown community. The north end of Broadway has received less attention than any blocks south of the property, toward Main Avenue. Rejuvenation of the property will further balance the effort and focus already present in Fargo's downtown.
 5. Urban Design. The project will expose the structural materials (wood beams, steel plating, and original brick) on the interior of the property. Additionally, replacing the windows and removing the window air conditioning units will create an exterior that is much more inviting to pedestrians and others viewing the property from Broadway. Moreover, with natural light passing through the entire space, from exterior wall to exterior wall, the property will be much more appealing both inside and out. The rooftop deck will further activate the streetscape, adding a very unique amenity during the summer months downtown. The new building addition will mix urban design aesthetics with historic and be functionally appropriate to allow easy access between the new and historic building. Materials will blend nicely between new and historic building so the interior feels like one vibrant space.
 6. Transportation. N/A
 7. Safe Streets-Safe Neighborhoods. The project will increase pedestrian traffic on the north end of downtown and add more pedestrian focused character to the North 500 Block. The restaurant and bar will complement the existing retail and restaurant businesses operating on the same block of Broadway. Office workers, clients/customers, and other office visitors will be regular pedestrian visitors to the property. The area around the building will be well lit and make the surroundings visible and safe.
 8. High Quality Housing. N/A

9. Infill. In its current state, the property generates very little activity for the downtown community. The former sleeping rooms on the second were functionally obsolete and impossible to keep occupied due to the unit sizes (150 sf), general lack of amenities and deferred maintenance. The restaurant and bar is expanding and building an addition on the vacant land to the south of the existing building. The new building addition will mix urban design aesthetics with historic and be functionally appropriate to allow easy access between the new and historic building. Materials will blend nicely between new and historic building so the interior feels like one vibrant space.
 10. Housing Amenities. N/A
 11. Downtown Entryways. The property is located at the north entry to the Broadway downtown community. Currently, the property is underutilized and overlooked. Transforming the property to a restaurant and bar will create additional positive aesthetic appeal at the north entry of Broadway.
 12. The Place to Be. The restaurant and bar will increase activity in the downtown community. The additional employees and clients/customers visiting the property will be likely to participate in the downtown community activity simply due to proximity and exposure to downtown. We are confident the project will provide additional strength and support to the downtown community and we're excited to see it in action.
 13. A Place Like No Other. The restaurant and bar will maintain the historical aspects of the original building by keeping the ceilings exposed to reveal the existing structural detail. The exterior of the building will be cleaned and reveal the original architectural design. The restaurant and bar, with access to a rooftop deck above the new building, will have a distinct downtown character accomplished by revealing and rejuvenating the wood, steel, and brick of the existing structure. All aspects of the renovation will be geared toward maintaining the historic value of the property.
 14. 24 Hours a day-7Days per Week-365 Days a Year. Transforming the property into a restaurant and bar, the property will generate significantly more activity due to visiting clients/customers during lunch hour, evening dining, and after dinner food and beverage. The restaurant and bar will be open 7 days per week.
 15. Connections and Coordination. The project will further balance the revitalization efforts focused on the downtown community. The Ford Building is a beautiful property and great asset of the north portion of Broadway. With so many incredible projects completed or underway throughout the south portion of Broadway, the project will provide further continuity in the connections throughout the entire downtown stretch of Broadway.
- B. 1. The structure accommodates 8,371 square feet, as follows:
- a. Lot Size: 2,584 sf plus 5,715 empty lot
 - b. Building total: approximately 2,520 sf per floor (2 levels), plus an addition of 3,331 sf. Total = 8,371 sf
 - c. Overall, the application estimates a total capital investment of \$700,000, which is approximately \$84 per square foot.

Attachment C

- A. **High Priority Land Use**
1. Primary Business Sector. The property is on a hard corner that serves as the north bookend of Broadway and is directly across Broadway from the Ford Building. With its integral location on Broadway, it is important that the property remain vibrant and reach its highest and best use for the Fargo community.
 2. Active Commercial, Specialty Retail or Destination. The restaurant and bar will increase activity in the downtown community. The additional employees and clients/customers visiting the property will be likely to participate in the downtown community activity simply due to proximity and exposure to downtown. We are confident the project will provide additional strength and support to the downtown community and we're excited to see it in action.
 3. Mixed-Use Development. N/A
 4. Include large, upscale residential units. N/A
- B. Target Area Considerations:
1. Parcels vacant or underutilized for an extended period of time. This project will convert the second floor of the property from vacant space to rented space on the north end of Broadway. A vacant lot to the south of the existing building will also have an addition built on it and be utilized as a part of the restaurant and bar.
 2. Parcel specifically targeted for clearance in the Renaissance Zone Plan? No
- C. Public Space. This project will feature Broadway facing patio space and a rooftop patio fronting Broadway. The project will increase pedestrian traffic on the north end of downtown and add more pedestrian focused character to the North 500 Block.
- D. Meet Investment minimum criteria. The project will require capital investment of \$700,000, which is more than twice the total property value and will amount to a cost of \$84 per square foot.
- E. Relocation of a business from another North Dakota community. This location will be utilized by a new business in the Fargo area.
- F. Historic District. The subject property was built in 1914. The address 506 Broadway is the main level retail space and 508 ½ Broadway is the second floor of the Idelkope Building. In 1932, the second floor was known as the Continental Hotel. From 1930 to 1936, it was known as the Northern Hotel. Later, it was known as the Langholt Hotel and is now known as the Terrace Apartments. The property is on a hard corner that serves as the north bookend of Broadway and is directly across Broadway from the Ford Building. With its integral location on Broadway, it is important that the property remain vibrant and reach its highest and best use for the Fargo community.

The proposed project is a full rehabilitation, adaptive reuse remodel of the first and second floor into a restaurant and bar with an addition on the lot south of the existing building. The windows need to be replaced in order for the space to reach greater energy efficiency and improved lighting. All window air conditioning units will be removed and replaced with a new central air unit, which will significantly improve the exterior aesthetic value of the property. The exterior of the property will be unchanged other than an overdue surface cleaning to restore the exterior to its original condition. The addition will feature aesthetically appropriate materials for downtown and meet city requirements.

The restaurant and bar, with access to a rooftop deck above the new building, will have a distinct downtown character accomplished by revealing and rejuvenating the wood, steel, and brick of the existing structure. All aspects of the renovation will be geared toward maintaining the historic value of the property



CENTRAL MINNESOTA FABRICATING, INC.

Sales Office

7101 Northland Circle

Suite 202

Brooklyn Park, MN 55428

"An Equal Opportunity Employer"

Phone 952-698-3541

Fax 952-698-3561

May 31, 2018



TO: Enclave Development
1 2nd St. North, Suite 102
Fargo, ND 58102

ATTN: Paul Muscha
RE: Gunderson's Tenant Fit-Up – Fargo, ND
ARCH: YBB Ltd.
PLANS: A1



Gentlemen:
In accordance with plans of the referenced project, we propose to furnish:
9-HSS10x10x3/16 Columns with loose base plates to be field welded to columns. L4x4x1/4 at column top to bolt to wood joists.

TOTAL QUOTATION: \$7,275.00

If awarded with building shell: \$5,450.00

Note: The above Subcontract Price is good for 30 calander days. Any increases in the price of steel for the Project, or any additional surcharges imposed on the steel, shall result in a corresponding dollar-for-dollar increase in the Subcontract Price if awarded after the 30 days.

EXCLUSIONS: BID BOND, LIQUIDATED DAMAGES, TESTING, PERFORMANCE & PAYMENT BONDS, FIELD MEASUREMENTS, GROUT, AND SHIMS, ALUMINUM, BOLTS FOR WOOD CONNECTIONS.

Central Minnesota Fabricating, Inc.

Corporate Office
2725 West Gorton Ave
PO Box 1178
Willmar, MN 56201
Phone 320-235-4181
Toll Free 1-800-839-8857
Fax 320-235-6986

Sales Offices
7101 Northland Circle
Suite 202
Brooklyn Park, MN 55428
Phone 952-888-1676
Fax 952-888-1950

NO State Sales Tax Included

F.O.B: Jobsite

Erection: Not Included

Paint: One coat standard gray alkyd shop primer devguard 4190 1.5 mils dry

Terms: 1/2% 10 Net 30 **No Retainage**

1% per month on unpaid balance
after 30 days, plus collection fees

Delivery: Open

Most current AISC Specification

Cleaning: Hand Tool/SSPC-SP2

Steel Specs: G50

Bid Expires: 30 days

Recognize Add'm: None

Contract: Material Only Contracts, shall be issued on AGC Standard Contract Agreement Special Forms, for Material only, 1968 Edition, and shall not have any addendums, riders or attachments. Material and Labor Contracts shall be AGC Standard Subcontract Agreement, 1985 Edition, and shall not have any addendums, riders or attachments.



NOTE: CONTRACT MUST BE SIGNED BEFORE MATERIAL CAN BE ORDERED.
Acceptance of this proposal constitutes acceptance of Central Minnesota Fabricating's Standard Terms and Conditions.

ACCEPTED:

Yours very truly,
 CENTRAL MINNESOTA FABRICATING

 Company Name

Steve Ridley, Sales Estimator
 sridley@cmf-inc.com

 Signature

 Print Name & Title

 Date



Central Minnesota Fabricating, Inc.

Corporate Office
 2725 West Gorton Ave
 PO Box 1178
 Willmar, MN 56201
 Phone 320-235-4181
 Toll Free 1-800-839-8857
 Fax 320-235-6986

Sales Offices
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 Brooklyn Park, MN 55428
 Phone 952-888-1676
 Fax 952-888-1950

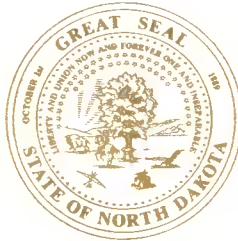
JC Phase Master

Project:	Cowboy Jacks	Bid Date:		75
Location:	Fargo, ND	# of Units	1	
Owner:	North 500 Block LLC	Per Unit Cost:	\$700,050.21	
Architect:	TL Stroh	Project SF:	9,033	
Drawings:	Rhet Fiskness	Cost / SF:	\$77.50	

	Phase	Cost Type	Description	Cost
	DIV. 1 SUBTOTAL		General Requirements	
	DIV. 2 SUBTOTAL		Existing Conditions Demo.	\$47,583.68
	DIV. 3 SUBTOTAL		Concrete	\$43,891.22
	DIV. 4 SUBTOTAL		Masonry	\$67,533.15
	DIV. 5 SUBTOTAL		Metals	\$82,855.86
	DIV. 6 SUBTOTAL		Wood, Plastics & Composites	\$78,530.77
	DIV. 7 SUBTOTAL		Thermal & Moisture Protection	\$72,173.52
	DIV. 8 SUBTOTAL		Openings	\$42,421.00
	DIV. 22 SUBTOTAL		Plumbing	\$23,128.00
	DIV. 23 SUBTOTAL		HVAC	\$88,736.00
	DIV. 26 SUBTOTAL		Electrical	\$18,880.00
	DIV. 31 SUBTOTAL		Earthwork for Foundation	\$14,994.91
	DIV. 32 SUBTOTAL		Exterior Sidewalks	\$12,508.00
	DIV. 33 SUBTOTAL		Utilities	\$57,973.40
	SUBTOTAL DIRECT COSTS			\$651,209.50
7.5%	CONSTRUCTION FEE			\$48,840.71
	SUBTOTAL DIRECT COSTS PLUS FEES			\$700,050.21
	TOTAL			\$700,050.21

State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF FACT OF ICON PROPERTIES, LLP

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that ICON PROPERTIES, LLP, a North Dakota limited liability partnership, was registered in this office on February 19, 2014. The registration shall remain in force unless canceled.

Dated: June 14, 2018

A handwritten signature in black ink, reading "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State

State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF GOOD STANDING OF

NORTH 500 BLOCK, LLC

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that NORTH 500 BLOCK, LLC, a North Dakota LIMITED LIABILITY COMPANY, was issued a certificate of organization which was effective on June 9, 2016 and, according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing a North Dakota LIMITED LIABILITY COMPANY.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

NORTH 500 BLOCK, LLC

Issued: June 14, 2018

A handwritten signature in black ink, reading "Alvin Jaeger".

Alvin Jaeger
Secretary of State





COMMISSIONER TONY GRINDBERG

Fargo City Hall
200 North Third Street
Fargo, ND 58102

701.241.1310
TGrindberg@cityoffargo.com

Date: June 6, 2018
For Immediate Release

Renaissance Zone Continues to Stimulate Strong Return on Investment

Fargo, ND-(June 6, 2018)-The Fargo City Commission, Board of Equalization certified property values on May 8, 2018. As a result, property in downtown Fargo increased by over \$80 million in value between 2017 and 2018. This does not include exempt properties such as government buildings, churches, or properties receiving temporary property tax exemptions such as the Renaissance Zone program.

As temporary Renaissance Zone tax exemptions expire over the next five years, there will be another \$50 million increase in downtown properties that pay property taxes. “The Renaissance Zone program has been the key to downtown investment, providing benefits to property tax payers and providing a great downtown that is widely recognized as highly successful outcome,” said City Commissioner Tony Grindberg. Grindberg was one of the sponsors of the Renaissance Zone program in 1999. “The success of the Renaissance Zone program has exceeded our expectations” Grindberg said.

Downtown properties are expected to pay more than \$1.1 million more in property taxes to the city, school district, and county than last year.

Since the Renaissance Zone program began, the value of property tax paying downtown properties has grown from a \$200 million value, to over \$500 million, and it will exceed \$600 million as all temporary property tax exemptions expire.