

FARGO CITY COMMISSION AGENDA  
Monday, July 2, 2018 - 5:00 p.m.

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at [www.FargoND.gov/streaming](http://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](http://www.FargoND.gov/citycommission).

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, June 18, 2018).

**CONSENT AGENDA – APPROVE THE FOLLOWING:**

- 1. 2nd reading of the following Ordinances; 1st reading, 6/18/18:
  - a. Amending Sections 13-0301, 13-0302, 13-0303, 13-0304 and 13-0305 of Article 13-03, and Section 13-0401 of Article 13-04 of Chapter 13 of the Fargo Municipal Code Relating to the Control and Regulation of Food Service Establishments.
  - b. Annexing a Certain Parcel of Land Lying in the Southeast Quarter of Section 11, Township 138 North, Range 49 West.
  - c. Rezoning Certain Parcels of Land Lying in Madelyn's Meadows Addition.
  - d. Amending Sections 18-0304, 18-0308 and Enacting Section 18-0318 of Article 18-03 of Chapter 18 of the Fargo Municipal Code Relating to Use and Care of Streets and Sidewalks; 1st reading, 6/18/18; continue to the July 2, 2018 Regular Meeting.
- 2. Receive and file Comprehensive Annual Financial Report (CAFR) and Independent Auditor's Report for the year ending December 31, 2017.
- 3. Master Agreement for Treasury Management Services with Wells Fargo Bank, N.A.
- 4. Accept results of the Cass County Canvassing Board for the June 12, 2018 Primary Election; declare candidates elected.
- 5. Amended Site Authorization for Northern Prairie Performing Arts at O'Clevy's.
- 6. Applications for Games of Chance:
  - a. FirstLink for a raffle on 8/9/18.
  - b. North Dakota Horse Park Foundation for a calendar raffle from 7/14/18 to 12/31/18.
  - c. St. Anthony of Padua Parish for bingo and a raffle on 9/30/18.
- 7. Notice of Grant Award with the ND Department of Health for Family Planning Depression Screening.
- 8. Agreement for Services with Nate Hendrickson.
- 9. Fargo Public Schools Department of Support Services Service Agreement with Fargo Cass Public Health Department for nursing services for Special Education services for summer school 2018.

10. Purchase of Service Agreement with the ND Department of Health for the Women's Way program (CFDA #93.898).
11. Revised Notice of Grant Award with the ND Department of Health for the Public Health Emergency Preparedness/City Readiness Initiative (CFDA #93.074).
12. Purchase of a Permit and Project Management System from the Davenport Group USA, Ltd. in the amount of \$206,300.00 (RFP18027).
13. Resolution Approving Plat of Crescent Addition.
14. Engineering Department the authority to approve requests from contractors to work July 4th.
15. Contract Amendment No. 3 with AE2S for an increase of \$34,530.00 (Project No. MS-15-P0).
16. Bid award for Project Nos. FM-15-F2 and SN-18-A1.
17. Purchase of one articulated wheel loader from RDO Equipment Company with five annual payments of \$48,128.00 to Kinetic Leasing (RFP18068).
18. FEMA Hazard Mitigation Grant Program Amendment No. 5 for a one-year time extension from 3/24/18 to 3/24/19 (Project No. WW1402).
19. Change Orders for Project No. WA1301:
  - a. No. 18 for an increase of \$110,640.00 for the general construction contract.
  - b. No. 16 for an increase of \$252,431.28 for the mechanical construction contract.
20. Task Order No. 9 with AE2S for an increase of \$296,700.00 for the Water Treatment Plant Residuals Facility improvements.
21. Bid award for Valve Vault Improvements at Water Tower Nos. 4 and 9.
22. Contract and bond for Project No. SN-18-B2.
23. Bills.
24. Special Construction Proposal with CenturyLink for Improvement District No. DN-18-A1.
25. Change Order No. 1 for an increase of \$21,000.00 and time extension to 8/29/18 for Improvement District No. BN-16-H1.
26. Infrastructure request contingent upon meeting the execution of the Special Assessment Security Agreement and letter of credit and direct the Engineering Department to coordinate design with the Developer's Consultant (Improvement District No. BN-18-L1).
27. Change Order No. 2 for an increase of \$54,454.00 and time extension to 8/30/18 for Improvement District No. TR-17-B1.
28. Create Improvement District No. BN-18-L.
29. Contract and bond for Improvement District No. BR-18-H1.

**REGULAR AGENDA:**

30. Recommendation from City Administrator Bruce Grubb for appointment of a City Engineer.
31. Discussion regarding the creation of a Special Assessments Task Force.
32. Recommendation for a Special Assessment Policy Adjustment.
33. Public Hearings - 5:15 pm:
  - a. Special Assessment list for Water Main Replacement, Force Main Construction, Street Reconstruction Improvement District No. BR-16-B; continued from 10/9/17, 10/23/17, 5/21/18 and 6/18/18 Regular Meetings.
  - b. Special Assessment lists for the following Improvement Districts, all having been approved by the Special Assessment Commission on 5/2/18; set the interest rate at 1% per annum over the net rate on bonds financing said projects; continued from the 6/18/18 Regular Meeting:
    1. Alley Paving Improvement District No. AN-17-C.
    2. Alley Paving Improvement District No. AN-17-E.
    3. Relocate Utilities Improvement District No. BN-15-M.
    4. Sanitary Sewer, Water Main, Storm Sewer, Site Grading, Concrete Curb and Gutter, Asphalt Paving and Street Lights Improvement District No. BN-16-G.
    5. Sanitary Sewer, Water Main, Storm Sewer, Asphalt Paving and Street Lights Improvement District No. BN-16-J.
    6. Sanitary Sewer, Water Main, Storm Sewer, Site Grading, Concrete Curb and Gutter, Asphalt Paving and Street Lights Improvement District No. BN-16-K.
    7. Sanitary Sewer, Water Main, Storm Sewer, Asphalt Paving and Street Lights Improvement District No. BN-17-F.
    8. Water Main Replacement, Force Main, Street Reconstruction Improvement District No. BR-16-A.
    9. Street Reconstruction, Railroad Crossing Surface Replacement Improvement District No. BR-17-E.
    10. Storm Sewer Lift Station, Storm Sewer Improvement District No. NN-14-0.
    11. Storm Sewer Lift Station, Storm Sewer Improvement District No. NN-14-2.
    12. Storm Sewer Lift Station Improvement District No. NN-15-A.
    13. Storm Sewer Lift Station 48 Expansion, Sewer Service Improvements Improvement District No. NR-16-A.
    14. Sanitary Sewer, Water Main, Storm Sewer, P.C. Concrete Paving, Street Lights Improvement District No. PN-14-4.
    15. Concrete Curb and Gutter, Asphalt Paving, Street Lights Improvement District No. PN-15-J.
    16. Asphalt Wearing Course Improvement District No. PN-17-A.
    17. Seal Coat Improvement District No. PR-17-G.
    18. Traffic Signal Improvements Improvement District No. TN-16-C.
    19. Storm Sewer Repairs Improvement District No. UR-15-B.
  - c. Renaissance Zone Projects:
    1. Beerfish LLC for a commercial lease project located at 247 Roberts Street North.
    2. 1631 Hospitality LLC for a commercial lease project located at 635 2nd Avenue North.
    3. Hygge Life LLC for a commercial lease project located at 615 2nd Avenue North.

4. Riverview Family Dental PC for a commercial lease project located at 321 4th Street North.
  5. Ecce Yoga LLC for a commercial lease project located at 321 4th Street North.
  6. DFI BA LLC for a rehabilitation project located at 109 and 111 Broadway North.
  7. North 500 Block, LLC for a rehabilitation project located at 502 and 506 Broadway North.
- d. Urban Plains (4680, 5100, and 5101 28th Avenue South; 4651 and 4845 30th Avenue South; 5298 31st Avenue South; 4543 and 4737 32nd Avenue South; 2911 45th Street South; 2640, 2660, 2720, 2740, 2760, and 2780 47th Street South; 3180 49th Street South; 3023, 3057, 3079, and 2701 51st Street South; 2633 and 2867 55th Street South; 2907, 2915, 2949, 2975, 3037, and 3151 Seter Parkway South; 3050 and 3155 Brandt Drive South; and 4574 Urban Plains Drive South); approval recommended by the Planning Commission on 6/5/18:
1. Zoning Change to repeal and re-establish a C-O, Conditional Overlay on Lot 1, Block 4, Lots 2-4, Block 5, and Lots 3-4, Block 8, Urban Plains by Brandt 1st Addition; Lots 2-3, Block 1, Lot 2, Block 2, Lot 1, Block 3, Lots 2-3, Block 5, and part of Lot 1, Block 5, Urban Plains by Brandt 2nd Addition; Lots 5-6, Block 1, Urban Plains Medical Park Addition; Lots 7-9 and part of Lot 10, Block 1, Urban Plains Retail Addition; Lots 1-3, Block 3 and Lot 1, Block 4, Urban Plains Center Addition; Parts of Lots 3 and 5, and all of Lot 4, Block 1, Urban Plains Northeast Retail Addition; and Lots 2-3, Block 1, Urban Plains Northeast Retail 2nd Addition.
  2. 1st reading of rezoning Ordinance.
34. Resolution Authorizing the Issuance of Refunding Improvement Bonds, Series 2018D.
35. Recommendation to appoint Commissioner Dave Piepkorn as Deputy Mayor.
36. Recommendation for Commission Liaison assignments.
37. Resolution adopting rules and regulations relative to the operation of the agenda and conduct of City Commission meetings.
38. State Water Commission requests for Cost Reimbursement for FM Diversion Flood Project Costs:
- a. Costs totaling \$521,819.00.
  - b. Costs totaling \$567,145.00.
39. Request for PILOT financing for a proposed project to be located at 914 and 918 15th Street North.

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](http://www.FargoND.gov/citycommission).





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**OFFICE OF THE CITY ADMINISTRATOR**  
**Bruce P. Grubb**

June 28, 2018

**MEMORANDUM**

**To:** Board of City Commissioners  
**From:** Bruce P. Grubb, City Administrator **BP4**  
**Re:** Recommendation for appointment of a City Engineer

**Introduction:**

The City of Fargo recently advertised and accepted applications for the position of City Engineer. A total of nine applications were received in response to the advertisement. A selection committee was formed to review the applications and conduct interviews of the preferred candidates. The selection committee was comprised of the following:

Bruce Grubb	Administration
Mike Redlinger	Administration
Ben Dow	Public Works
Terry Ludlum	Public Utilities
Mark Williams	Planning
Tom Knakmuhs	Engineering
Jill Minette	Human Resources (Facilitator)
Jen Kraiter	Human Resources (Facilitator)

**Candidate Application Reviews:**

The nine applications were reviewed and ranked independently by each committee member. Based on the application rankings, two preferred candidates were selected for interviews. The interviews were conducted on Friday, June 15, 2018.

**Candidate Interviews:**

The interviews were ranked independently by each committee member. During the interviews, the preferred candidates were asked a series of technical and behavioral questions that were comprised of the following subject areas:

- Work History
- Motivation
- Management Style
- Decision Making
- Problem Solving
- Money Management
- Visualization
- Leadership
- Customer Service

**Recommendation:**

Based upon the results of the review of applications and the follow-up interviews of the preferred candidates, the committee recommends the appointment of Brenda Derrig to the position of City Engineer.

Your consideration in this matter is greatly appreciated.

**SUGGESTED MOTION:**

Appoint Brenda Derrig to the position of City Engineer.

C: Michael Redlinger, Assistant City Administrator  
Ben Dow, Public Works Director  
Terry Ludlum, Solid Waste Utility Director  
Mark Williams, Assistant Planning Director  
Tom Knakmuhs, Division Engineer



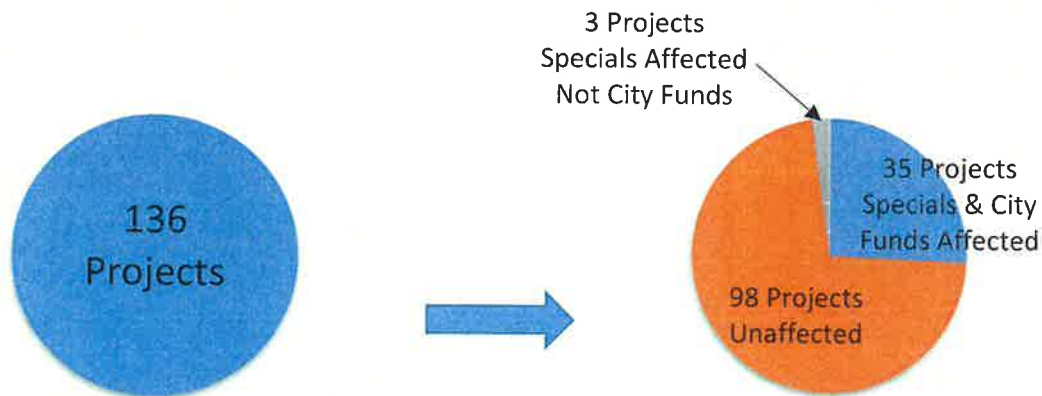
ENGINEERING DEPARTMENT  
200 3<sup>RD</sup> Street North  
Fargo, North Dakota 58102  
Phone: (701) 241-1545  
Fax: (701) 241-8101



June 28, 2018

To: Honorable City Commission  
From: Brenda Derrig, Assistant City Engineer/Division Engineer – Engineering Services *B. Derrig*  
Subject: Special Assessment Policy Adjustment

The Special Assessment Division has now completed their reevaluation of the 38 projects affected by the approval of the interim 2013 Funding Policy. Going to the 2013 policy has changed either the special assessments, or both assessments and City funding for those 38 projects. The remaining 98 projects did not change.



#### 38 Projects:

- 35 Affected Specials and City Funds
  - Water Main Replacement (1)
  - WM Repl. & Street Recon. (24)
  - Street Reconstruction (3)
  - Concrete Panel Repair (3)
  - Traffic Signal (4)
- 3 Affected Specials only (The capped cost was not reached by either of the policies)
  - New Utilities & Arterial Paving (2)
  - New Arterial Paving (1)

Street Lighting  
Sidewalks

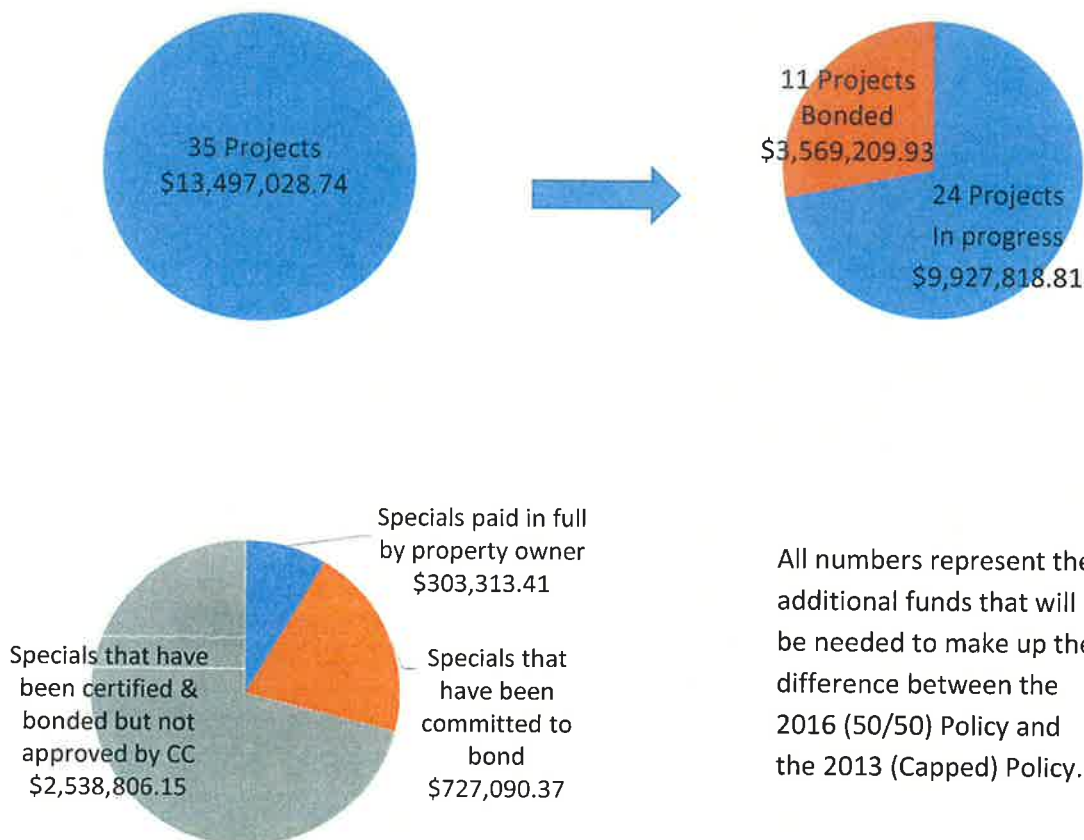
Design & Construction  
Traffic Engineering

Truck Regulatory  
Flood Plain Mgmt.

Mapping & GIS  
Utility Locations

All of the numbers shown below represent the change in the special assessments and City funds between the 2016 and 2013 Infrastructure Policy.

Impact on City Funds:



A breakdown in each category describes the funds needed and if they are needed annually or upfront.

- The City will need to reimburse \$303,313.41 to the 552 property owners that have paid off their special assessments. This refund is the difference between the two funding policies.
- The \$727,090.37 in special assessments have been certified and approved by the City Commission impacts 1,932 property owners. These have been committed to the bond and the City needs to credit the difference between the two funding policies to the remaining fund balance on what the property owner owes and finance the annual shortfall. The City needs to appropriate funds for this shortfall.
  - Staff have been in discussion with the City Attorney's Office and Dorsey Whitney, our bond counsel, about the potential to modify the existing pledges for assessments already pledge to bond obligations.

- \$2,538,806.15 in special assessments have been certified, but not had certification approval by the City Commission. The City will need to appropriate funds for this shortfall.
- \$9,927,818.81 Additional City Funds will be needed on projects that are in progress and have not been certified. Our management teams are recommending using sales tax revenues to cover this difference in funding during this interim period until the projects are certified and closed out. Adequate sales tax resources are available. Final adjustments in specific City funding sources will occur during the close out process in the future using past funding methods.

Through our reevaluation process, we noticed some things that we would like to bring to your attention. The 2013 Infrastructure Funding Policy is based on capped costs. The arterial roadway projects where the capped cost was not met, we found that by following the 2013 policy it decreased the front foot cost and increased the amount to be spread on the secondary benefit. These costs went up minimally less than \$500. The other issue is the project on Great Northern Drive where we are relocating the storm sewer, water main, and street lights for Xcel. Xcel is paying all costs associated with the relocation of utilities along with reconstructing half of the road. The 2016 policy had the City paying for half of the remaining half (a quarter) and special assessed the remaining quarter. Using the reinstated 2013 Policy, the associated capped cost covers the remaining project costs; therefore, we saw their assessments double.

**Suggested Motion:**

Approve refunds to property owners impacted by the change in the City Special Assessment Funding policy recently enacted in the amount of \$303,313 no later than September 1, 2018; approve crediting \$727,090 to uncertified balances for special assessments already approved certified and approve reduction of property owner share of assessments for projects completed but not yet certified by the City Commission totaling \$2,538,806; reduce the property owner's share of assessments for projects in progress totaling \$9,927,819; approve use of sales tax to fund all of these adjustments on an interim basis, removing all water main replacement projects contemplated in the 2019 capital improvement plan to stabilize our sales tax resources; and to direct the City Attorney and Bond Counsel to further study the impact of substituting existing pledged revenues on existing bond issues with City funds.



**PLANNING AND DEVELOPMENT**  
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## **MEMORANDUM**

**TO:** Fargo City Commission

**FROM:** Barrett Voigt, Assistant Planner

**DATE:** July 2, 2018

**RE:** Renaissance Zone Project Lease Application from Beerfish LLC (271-F) located at 247 Roberts Street North

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The following Renaissance Zone project application was reviewed and recommended for approval by staff per Renaissance Zone Authority Policy:

Beerfish LLC (Project 271-F) is proposing to lease commercial space located at 247 Roberts Street North. This project application met all of the State and local requirements for approval including that, the use is consistent with the goals and objectives as set forth within the Fargo Renaissance Zone Development Plan. The applicant is proposing to lease 5,081 square feet and is looking to occupy the space by July 2019. The applicant estimates a \$10,000 income tax exemption over the 5-year term.

According to the Renaissance Zone Development Plan, the prospective tenant must be leasing a space from a building that has been approved as a Renaissance Zone project. A Renaissance Zone application for DFI Dillard LLC (262-F) was approved by the City of Fargo on August 28, 2017 and the application will be reviewed by the State for final approval.

Recommended Action: To approve the Renaissance Zone project application (Beerfish LLC) for a lease project at 247 Roberts Street North and to grant state income tax exemptions as recommended by staff per Renaissance Zone Authority policy.

## CITY OF FARGO RENAISSANCE ZONE LEASE PROJECT APPLICATION

***Attn: This application must be approved by all local and state review entities prior to executing a lease.***

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.

247 Roberts St N (formerly 223 Roberts ST N)  
7 & N 20 FT OF 8, Block 3, Roberts Addition  
PIN - 01-2381-00530-000

Renaissance Zone Block 5

2. Current property owner(s).

DFI Dillard LLC

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

NAME **Beerfish LLC**  
ADDRESS **226 Broadway, FARGO, ND 58102**  
CITY **FARGO**

- 4.

Tax ID Number:

5. Current use of property

The property is privately owned surface parking lots, construction underway for mixed use 6 story building.

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

21,733 LOT  
97,270 Building

First 17,615  
Mezz 2,245

2<sup>nd</sup> 16,106

3<sup>rd</sup> - 6<sup>th</sup> 15,326

Describe the impact this project has on any historical properties

The subject properties contain only surface parking lots, but historically were the site of row homes, which were later replaced with a series of small single-family homes. A lumber yard was also located along the alley on the east side of the parcels.

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

New construction

6. Project Description.

The Dillard project consists of a half-acre parcel located Roberts St. This site is located directly north of the Roberts Commons mixed-use parking garage and south of the Herald Square apartments.

This 97,270 SF mixed-use project will include a structural steel podium with five levels of wood frame construction above built upon a deep pile foundation. The ground floor is designed for commercial space and will have a 22-foot ceiling. The tall first floor will allow the apartment floors to align with the adjacent Roberts Commons Parking Garage and allow access into the garage. The five upper floors will be market rate apartments.

**Beerfish LLC**

The addition of [Business Name] off of Roberts Alley will add a new storefront and activity in the alley. This new restaurant will [ENTER BUSINESS DESCRIPTION HERE.]

**Fish Restaurant and Full Bar.**

The expected date of occupancy April 1, 2018.

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.

- \$13.4M investment resulting in \$143 per square foot of construction costs.
- Start October 2017
- Opening July 2019
- 84 units – 24 studio, 30 1-bed, 25 2-bed, 5 3-bed

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

#### Activity Generators

Pedestrian friendly public realms fundamentally must be inviting, safe, and generate trips with a purpose. To make the space inviting requires buildings to frame the street to create an outdoor room and the buildings must have frequent doors and windows facing the sidewalk. The environment needs to be safe. Designing pedestrian friendly streets to slow traffic helps accomplish this. In addition, people feel safer in public spaces when other people are present. Finally, purposeful walking needs useful trips, which is accomplished by mixing different land uses (work, shop, live, play) in a compact environment. When the built environment achieves all three (inviting, safe, and convenient) then a person will walk by choice.

With this in mind, it’s apparent the project site has historically created a dead zone for pedestrian activity. Pedestrians are only present as they enter and exit their cars. The site lacks a “sense of place” because no buildings frame the streets and the lack of buildings provides nothing to see or do. This combination creates an environment that people simply avoid because it’s void of activity and others.

Dillard will substantially increase the activity in this area. The Dillard infill will replace a surface parking lot with 84 residential units and ground floor retail activating Roberts St, Roberts Alley, and the 3<sup>rd</sup> Ave pedestrian corridor.

#### Walkable Districts.

The ground floor will feature retail with entrances and large amounts of glass, both critical design elements for creating an interesting environment. Roberts Alley will also include ground floor retail and our early designs plan for a restaurant along the alley to act as an anchor and destination to attract pedestrians. The primary entrance for the residential units will be located along the new 3<sup>rd</sup> Ave alley. Historically the surface parking lots have been used by pedestrians walking towards and away from Broadway. With the construction of Roberts Commons, an east-west corridor has been created by construction fencing and it’s apparent this provides a useful connection to Broadway. As such, this corridor will be maintained and strengthened by lining it with commercial storefronts and the apartment entrance.

#### Ground Floor Uses

The ground floor will contain commercial spaces along Roberts St, Roberts Alley, and the 3<sup>rd</sup> Ave corridor.

#### Neighborhood Center

Dillard, Roberts Commons, and future Kesler projects will substantially change the built environment along Roberts Alley, 2<sup>nd</sup> Ave, and Roberts St. It’s our hope the replacement of surface parking lots with mixed-use buildings will enhance this important, but currently underutilized area.

#### Transportation Issues

Second Ave, 300 feet to the south of Dillard, is served by MatBus Routes 13, 13U, and 17. NDSU students generate significant activity in this area, as many of them use Roberts St as a bike thoroughfare to Renaissance Hall. Many students also frequently pass by the Roberts St and 2<sup>nd</sup> Ave intersection to board the bus at Klai Hall. The Dillard project will include an area to house dumpsters that allows for better vehicular and pedestrian movement through the alley.

#### Safe Streets – Safe Neighborhoods.

The redevelopment of this block will further enhance the natural human surveillance by replacing a surface parking lot with an active ground floor of mixed retail. There are approximately 3,900 residents living in downtown, the majority being the result of NDSU’s downtown expansion in the last decade. Those familiar



with downtown Fargo's progression are fully aware of the new life that has been breathed into downtown with the increase in the number of its residents. The introduction of residential units with this project will further expand downtown's population and provide much needed foot traffic and activity in this area. Siting a restaurant in the alley, active ground floor retail (including the alley), and the upper floors filled with a variety of different living options will help fill this area with activity and "natural surveillance."

#### High Quality Housing

Dillard will include 84 units with the majority being alcoves, one and two-bedroom, with a few three bedrooms. These units will be geared toward students, young professionals, "renter by choice," and empty nesters with a variety of different configurations and price points.

#### Housing Amenities

Amenities include a bike room, dog washing station, a pedestrian connection to Roberts Commons parking garage, terrace, and club room. In general, we feel the building's location and proximity to Broadway serves as its biggest amenity. The block of Broadway to the east is a "Walkers Paradise", per Walk Score®, and the benefit of living in a mixed-use environment cannot be overemphasized as the most important amenity for these residents.

#### Downtown Entryways

Roberts St, one of the identified corridors in the Renaissance Plan, will be improved with this mixed-use development. The streetscape, public realm, and built environment will create a much-improved experience for those on foot and in their vehicles. This street has also been identified by the Fargo InFocus downtown masterplan as retail street.

#### The Place to Be

The reinvention of Roberts Alley to a pedestrian oriented public realm could position this corridor to become a unique and sought after experience. The Alley Fair has shown how alleys can become a place for socializing and entertainment. Activating Roberts Alley with ground floor retail, restaurants, and a pedestrian friendly design can turn elements of the Alley Fair events into a daily experience.

#### A Place Like No Other

The area surrounding this block contains some of downtown's most iconic buildings and one of Fargo's highest concentrations of historic buildings. The infill of these parcels will greatly improve this prominent, yet generally overlooked area. The inclusion of retail along the alley, with a goal of creating a space for a restaurant with outdoor seating is meant to provide an anchor for Roberts Alley and draw pedestrians into this corridor. It's our hope to transform Roberts Alley into a unique, one of kind experience attracting visitors to downtown.

#### Spruce up the area

Our research has revealed that this area was first developed with residential dwellings as early as 1884. From approximately 1910-1952, dwellings existed on the western portion of the site. A lumber shed existed on the eastern portion of the site during this same time period. The site has been used as a paved parking lot since at least 1976. The project will mark the first time this entire area has been fully built out.

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

This location will be activated during working hours from the ground floor retail. The 90-100 residential units of this project will activate this area throughout the day as well as during the evenings and weekends. The redesign of Roberts Alley into a pedestrian friendly corridor will make it more inviting and a unique destination to spur activity.

#### Connections and Coordination

This project will be thoughtfully designed to enhance the walkability of this area. The surface parking will be replaced with a mixed-use building with active ground floor retail and a design that encourages walking (frequent doors, high percentage of glass, and pedestrian scale design).

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

The project will consist of all new construction. Please see the attached renderings of the project.

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

High Priority Land Use

This project meets the guideline of high-priority land use by creating a mixed-use development with active ground floor retail space and quality apartments.

Target Areas

The majority of this site has been underutilized since the 1970s. One-hundred percent of the site is currently surface parking.

Public Space

The public realm will be greatly enhanced with this mixed-use infill project. A ground floor filled with retail will make the sidewalks along these projects much more interesting and inviting. The initial plans provide a small outdoor seating area along Roberts Alley for the area planned as a restaurant.

Investment

This project represents a \$13.4M investment, resulting construction cost of \$143/SF, which exceeds the Renaissance Zone's minimum of \$100/SF.

Relocation

The project is anticipated to contain only new businesses in the ground floors and the upper floors will provide a variety of housing options.

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

This project is part of the City-initiated TIF Financing District No. 2015-03. This TIF was created to pay for the Roberts parking garage. The project will not pursue any other economic development incentives. 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.

This property is currently a parking lot and the assessed value of the land and improvements is \$131,000 and \$35,000, respectively. The Renaissance Program would abate property taxes for the only the value of the improvements. As such, the estimated current taxes are \$2386.33, and if the Renaissance Zone incentive was approved the property taxes are estimated at \$1883.19, an annual difference of \$503.14.

Current true and full value: \$166,000 (\$35,000 for building/improvements)

Current annual property tax on building (2016): \$2,173.02

Estimated value of the buildings after improvements: \$13,460,000\*

Estimated five-year impact: \$967,471.15 (287.51 Mill Levy)

Potential annual income tax savings: \$1,000

\*Construction Costs

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.**

206 Roberts Aly N (Main Project 625 2 Ave N)  
S 1/2 OF 9 & ALL OF 10, 11 & 12, Block 3, Roberts Addition  
01-2381-00560-000

Renaissance Zone Block 2 & 6

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

DFI Roberts LLC

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

Name of Business – Type of partnership  
Federal ID Number

*Bearfish LLC*

Name

*Bertram Meyers  
Lisa Meyers  
Klaus Meyers*

Address 226 Broadway, Fargo / bertrambot@gmail.com  
Ph. 701-306-7602

4. **Current use of property.**

Under Construction

5. **Square footage of the lot, the building, and the space leased. List each floor separately and provide a floor plan of the leased space).**

625 2nd Ave N – 42,851

557/SF leasable space

6. **Project Description. Describe the anticipated tenant activities, scope of the activities that the tenant will undertake, and describe and the expected date of occupancy and lease.**

The Roberts mixed-use building lining the parking structure is under construction will be completed April 2018. The building will consist of 47,615 rentable square feet of residential apartments (73 units). The ground floor will include 8,694 SF of retail along 2<sup>nd</sup> Ave N and Roberts Alley. The alley retail, averaging 594 SF, will be designed with overhead doors and target incubator retail, boutiques, and service providers. The SW and SE corners will be designed for food and beverage with retail in-between.

7. **Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible. Describe how this project addresses the needs and interests of the community (see Attachment C).**

Activity Generators

Roberts Commons will substantially increase the activity in this area. The 455 parking spots will address parking shortages in the core and the office workers, residents, and visitors using the parking garage will generate increased activity. The resulting foot traffic from those using the garage will be strategically funneled past either the ground floor retail along 2<sup>nd</sup> Ave or through Roberts Alley and past the new and existing retailers. All three public frontages of the parking garage will be wrapped with a mixed-use liner to activate the street with different uses and hide the garage from sight.

Walkable Districts.

While a parking garage is at the heart of this redevelopment, the project has been designed first and foremost for pedestrians. The ground floors on both Roberts Commons will include retail along 2<sup>nd</sup> Ave and along Roberts Alley. Second Ave will be redesigned with wide sidewalks that make walking comfortable and provide opportunities for outdoor seating. The ground floors will feature frequent entrances and large amounts of glass, both critical design elements for creating an interesting environment. Roberts St will include this same design element with individual entrances and stoops for the ground floor apartments to provide opportunities to generate social interaction and street life.

Ground Floor Uses

The ground floor will completely be active retail. Roberts Alley will consist of a series of micro retail storefronts, featuring overhead doors to connect the interior spaces with the public realm.

Neighborhood Center

The proximity of this location between Broadway and NDSU's downtown campus to the west can create a potential new activity node for downtown. Roberts Alley also has the potential to become the second busiest pedestrian corridor in downtown. The Roberts and Kesler mixed-use projects will be at the heart of this transformation, due to the physical design of this location, but also by positively influencing people's perception of this block. The Roberts and Kesler projects have the potential to become anchors of downtown Fargo, both in retail and residential activity. These anchors could help spur future active retail and investment along Roberts St.

Transportation Issues

The project will include a 455 parking garage to serve daytime office workers, downtown residents, and visitors in the evenings and weekends. The south side of this property is served by MatBus Routes 13, 13U, and 17. NDSU students generate significant activity in this area, as many of them use Roberts St as a bike thoroughfare to Renaissance Hall. Many students also frequently pass this site to board the bus at Klai Hall. The vision of creating a 2<sup>nd</sup> Ave corridor to access the river has also influenced our design and intent for a pedestrian friendly redesign of the street.

#### Safe Streets – Safe Neighborhoods.

The redevelopment of this block will further enhance the natural human surveillance by replacing a surface parking lot with an active ground floor of mixed retail. High Quality

#### Housing

Roberts Commons will offer 74 residential units.

#### Downtown Entryways

Roberts St, one of the identified corridors in the Renaissance Plan, will be improved with this mixed-use development. The streetscape, public realm, and built environment will create a much improved experience for those on foot and in their vehicles. Improving this corridor's experience is critical to develop a positive first impression for those visitors who will use the City-owned parking garage. The proposed redesign of the street and public realm is being led by Land Elements to create a functional and pleasing streetscape.

#### The Place to Be

The reinvention of Roberts Alley to a pedestrian oriented public realm could position this corridor to become a unique and sought after experience. The Alley Fair has shown how alleys can become a place for socializing and entertainment. Activating Roberts Alley with ground floor retail, restaurants, and a pedestrian friendly design can turn elements of the yearly Alley Fair into a daily experience. The corner of Roberts St and 2<sup>nd</sup> Ave has been designed with a restaurant in mind. This south facing location with large sidewalks will create an opportunity for the restaurant to have a large outdoor seating, an experience that is frequently found in great cities, but missing from Fargo.

#### A Place Like No Other

The area surrounding this block contains some of downtown's most iconic buildings and some of Fargo's highest concentration of historic buildings. The infill of these parcels will greatly improve this prominent, yet generally overlooked area.

#### Spruce up the area

The replacement of surface parking lots with this mixed use development will greatly improve this area of downtown.

#### Riverfront as an Asset

While this property is not located on the riverfront, it will benefit from future redevelopment of the riverfront, civic quad, the Block 9 Plaza, and an improved 2<sup>nd</sup> Ave corridor. Second Avenue has great potential to become a prominent pedestrian corridor. This corridor will be bookended by NDSU's downtown campus and the riverfront redevelopment, placing this property directly along this connection.

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

This location will be activated during working hours from the ground floor retail and those office workers parking in the 458 stall parking garage. The 71 residential units at Roberts and the 84 units at Kesler will activate this area throughout the day as well as during the evenings and weekends. These apartments will contain a total of 178 bedrooms. The redesign of Roberts Alley into a pedestrian friendly corridor will make it more inviting and a unique destination to spur activity.

#### Connections and Coordination.

This project will be thoughtfully designed to enhance the walkability of this area. The surface parking will be replaced with a mixed-use building with active ground floor retail and a design that encourages walking (frequent doors, high percentage of glass, and pedestrian scale design).

The design of Kesler will aligns with the long term goals Kilbourne Group has for the Black Building and the C.R. Stone (former Avalon) building. The Roberts Alley connection will be enhanced with this infill, as well as the connections between the former Avalon building and the Black Building and 1<sup>st</sup> Ave to this site via the north-south alley running along the Gardner building. Roberts will include a corridor for pedestrian access between Roberts St and Roberts Alley to allow this commonly used connection to continue.

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

#### High Priority Land Use

This project meets the guideline of high-priority land use by creating a mixed-use development with active ground floor retail space and large upscale apartments (and small units targeting a lower price point).

Target Areas

The majority of this site has been underutilized since the 1970s. One-hundred percent of these sites are currently surface parking.

Public Space

The public realm will be greatly enhanced with this mixed-use infill project. A ground floor filled with retail will make the sidewalks along these projects much more interesting and inviting.

Relocation

The project is projected to contain only new businesses in the ground floors and the upper floors will provide a much needed variety of housing options. The micro retail storefronts in the alley will provide suitable startup and incubator space for new retailers and service providers.

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

Private funds are committed by [ENTER COMPANY NAME HERE] and DFI Roberts LLC. No public funds will fund this project.

*Beerfish LLC*

10. **Estimated tax impact of Zone incentives to the applicant: Estimate the potential annual income tax savings.**

Estimated potential annual income tax savings for [ENTER COMPANY NAME HERE] is [ENTER AMOUNT HERE].

*Beerfish LLC*

*\$10,000*

11. **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.**

Please see attached. [COMPLETE AND ATTACH CERTIFICATE OF GOOD STANDING].

**Submit Project Proposals to:**

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



PLANNING AND DEVELOPMENT  
200 Third Street North  
Fargo, North Dakota 58102  
Phone: (701) 241-1474  
Fax: (701) 241-1526  
E-Mail: [planning@fargond.gov](mailto:planning@fargond.gov)  
[www.fargond.gov](http://www.fargond.gov)

## MEMORANDUM

**TO:** Fargo City Commission  
**FROM:** Barrett Voigt, Assistant Planner  
**DATE:** July 2, 2018  
**RE:** Renaissance Zone Project Lease Application from 1631 Hospitality LLC (272-F) located at 635 2nd Avenue North

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The following Renaissance Zone project application was reviewed and recommended for approval by staff per Renaissance Zone Authority Policy:

1631 Hospitality LLC (Project 272-F) is proposing to lease commercial space located at 635 2nd Avenue North. This project application met all of the State and local requirements for approval including that, the use is consistent with the goals and objectives as set forth within the Fargo Renaissance Zone Development Plan. The applicant is proposing to lease 5,146 square feet and is looking to occupy the space by October 2018. The applicant estimates a \$12,015 income tax exemption over the 5-year term.

According to the Renaissance Zone Development Plan, the prospective tenant must be leasing a space from a building that has been approved as a Renaissance Zone project. A Renaissance Zone application for *DFI Roberts LLC* (249-F) was approved by the City of Fargo on April 25, 2016 and final approval was granted by the State on February 15, 2018.

Recommended Action: To approve the Renaissance Zone project application (1631 Hospitality LLC) for a lease project at 635 2nd Avenue North and to grant state income tax exemptions as recommended by staff per Renaissance Zone Authority policy.

## CITY OF FARGO RENAISSANCE ZONE LEASE PROJECT APPLICATION

***Attn: This application must be approved by all local and state review entities prior to executing a lease.***

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.

635 2<sup>nd</sup> Ave N (located within 625 2<sup>nd</sup> Ave N)  
S 30 FT OF LT 8 & ALL OF LTS 9, 10, 11, & 12, Block 3, Roberts Addition  
PIN - 01-2381-00548-001

Renaissance Zone Block 2 & 6

2. Current property owner(s).

DFI ROBERTS LLC

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

1631 Hospitality LLC  
14 2<sup>nd</sup> avenue SE  
Aberdeen, SD 57401

4. Current use of property

Mixed use five story building

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

29,996 LOT  
69,232 Building

1<sup>st</sup> - 14,868  
2<sup>nd</sup> - 15,458  
3<sup>rd</sup> - 15,458  
4<sup>th</sup> - 11,708  
5<sup>th</sup> - 11,708

Describe the impact this project has on any historical properties

The subject property previously contained only surface parking lots, but at one point included some significant historic structures.

The Columbia Hotel was located on the northeast corner of Roberts Street and 2nd Avenue North. It was a four-story brick structure with its entrance facing Roberts Street. It opened on October 1, 1888 and featured 100 electric lighted, steam heated, and superbly furnished rooms. Five years after opening, it was lost in the great fire of 1893. The ruins of the building stood at the site for a decade, as did much of the entire block, until the location became the site of Fargo's first Public Library. Aided by a \$20,000 grant from Andrew Carnegie, the new library opened January 26, 1903. A number of other buildings were constructed on 2nd Avenue between the library and the alley, most notably the Salvation Army. All were razed at different points to make way for surface parking, including the library in 1970.

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

New construction

6. Project Description.

Phase 1

The Roberts parking garage began construction in June 2016 and be completed by July 2017. This six story garage has 458 stalls. This precast parking garage is owned by the City.

#### Phase 2

The Roberts mixed-use building lining the parking structure was completed in May 2018. The building consists of 47,615 rentable square feet of residential apartments (74 units). The ground floor includes 8,694 SF of retail along 2<sup>nd</sup> Ave N and Roberts Alley.

The addition of [46 North Pints & Provisions] will be located at 635 2<sup>nd</sup> Ave N at the intersection of 2<sup>nd</sup> Ave and Roberts St N. This new restaurant will be a gastro pub

The expected date of occupancy October 14, 2018.

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.

- Roberts Commons includes 74 apartments (47,615 SF) and nine ground floor retail units (8,694 SF)
- \$9.3M investments results in \$119 per square foot of construction costs.

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

#### Activity Generators

Pedestrian friendly public realms fundamentally must be inviting, safe, and generate trips with a purpose. To make the space inviting requires buildings to frame the street to create an outdoor room and the buildings must have frequent doors and windows facing the sidewalk. The environment needs to be safe. Designing pedestrian friendly streets to slow traffic helps accomplish this. In addition, people feel safer in public spaces when other people are present. Finally, purposeful walking needs useful trips, which is accomplished by mixing different land use (work, shop, live, play) in a compact environment. When the built environment achieves all three (inviting, safe, and convenient) then a person will walk by choice.

With this in mind, it is easy to understand how the former project site created a dead zone for pedestrian activity. The completion of the parking garage has created a new node of activity and the subsequent completion of 74 apartments is adding new residents to the site. Most exciting is the completion of new retail spaces in Roberts Commons, which each are generating large amounts of vibrancy and foot traffic.

#### Walkable Districts.

While a parking garage is at the heart of this redevelopment, the project has been designed first and foremost for pedestrians. The ground floor of Roberts Commons includes retail along 2<sup>nd</sup> Ave and along Roberts Alley. Second Ave was redesigned with wide sidewalks making walking comfortable and providing opportunities for outdoor seating.

#### Ground Floor Uses

The ground floor of Roberts Commons – Roberts St, 2<sup>nd</sup> Ave N, and Roberts Alley will have active retail.

#### Neighborhood Center

The proximity of this location between Broadway and NDSU’s downtown campus to the west can create a potential new activity node for downtown. Roberts Alley also has the potential to become the second busiest pedestrian corridor in downtown. Roberts Commons will be at the heart of this transformation, due to the physical design of this location, the new parking garage, and also by positively influencing people’s perception of this block.

#### Transportation Issues

The project includes a 458 parking garage to serve daytime office workers, downtown residents, and visitors in the evenings and weekends. The south side of this property is served by MatBus Routes 13, 13U, and 17. NDSU students generate significant activity in this area, as many of them use Roberts St as a bike thoroughfare to Renaissance Hall. Many students also frequently pass this site to board the bus at Klai Hall. The vision of creating a 2<sup>nd</sup> Ave corridor to access the river has also influenced our design and the pedestrian friendly redesign of the street.

#### Safe Streets – Safe Neighborhoods.

The redevelopment of this block will further enhance the natural human surveillance by replacing a surface parking lot with an active ground floor of mixed retail. The introduction of residential units with these projects will further expand downtown’s population and provide much needed foot traffic and activity in this area.



### High Quality Housing

Roberts Commons will offer 74 high quality market rate residential units. These units will be geared toward students, young professionals, "renter by choice," with a variety of different configurations and price points.

### Housing Amenities

Roberts Commons was designed by Elness Swenson Graham Architects (ESG), a 93-person architectural firm with a national practice in urban residential, restaurants, hospitality, workplace environments, student housing, higher education and urban design. Headquartered in Minneapolis, MN, the firm enjoys a leadership position in urban residential and mixed-use redevelopment. Unlike suburban style apartments that provide numerous amenities on site, these apartments will benefit from its urban location. The residents will be able to walk to dozens of restaurants, numerous art galleries, bars and clubs, the library, post office, banks, service providers, and so forth. The block of Broadway to the east is a "Walkers Paradise" according to Walk Score® and the benefit of living in a mixed-use environment cannot be overemphasized as the most important amenity for these residents.

### Downtown Entryways

Roberts St, one of the identified corridors in the Renaissance Plan, will be improved with this mixed-use development. The streetscape, public realm, and built environment will create a much-improved experience for those on foot and in their vehicles. Improving this corridor's experience is critical to develop a positive first impression for those visitors who will use the City-owned parking garage.

### The Place to Be

The reinvention of Roberts Alley to a pedestrian oriented public realm is meant to create a unique and sought after experience. The Alley Fair has shown how alleys can become a place for socializing and entertainment. Activating Roberts Alley with ground floor retail, restaurants, and a pedestrian friendly design can turn elements of the yearly Alley Fair into a daily experience. The corner of Roberts St and 2<sup>nd</sup> Ave has been designed for a restaurant. This south facing location with large sidewalks will create an opportunity for the restaurant to have a large outdoor seating, an experience that is frequently found in great cities, but missing from Fargo.

### A Place Like No Other

The area surrounding this block contains some of downtown's most iconic buildings and some of Fargo's highest concentration of historic buildings. The infill of these parcels will greatly improve this prominent, yet generally overlooked area. The project names were chosen to pay homage to the historical importance of this site. Roberts Commons is named for Samuel G. Roberts; the namesake of Roberts St. Roberts, one of Fargo's earliest settlers.

### Spruce up the area

It is well known, a Carnegie Library once stood at this location until demolished in 1971. It is assumed by many, that buildings once stood on the entirety of the surface lots where this project is located. While it is true for the Kesler Block, the lots north of 2<sup>nd</sup> Ave were never entirely developed, according to Sanborn maps of historical downtown Fargo. Prior to the great fire of 1893, only the Columbia Hotel and six row homes stood on this site. Following the great fire of 1893, the entire area was only rubble until the library was built in 1903. By 1910, six small single-family homes had been built along Roberts St and the southern block face along 2<sup>nd</sup> Ave had a continuous frontage of two and three story buildings. For all intents and purposes, the only development on this site that took place was a stretch of buildings along 2<sup>nd</sup> Ave. The remainder of the block all the way to the existing Herald Apartments was never developed or only contained a handful of small homes. Upon completion of the four phases (Roberts Garage, Roberts Commons, Kesler, and Dillard) will mark the first time this entire area has been fully built out.

### Riverfront as an Asset

While this property is not located on the riverfront, it will benefit from future redevelopment of the riverfront, civic quad, the Block 9 Plaza, and the improved 2<sup>nd</sup> Ave corridor. Second Avenue has great potential to become a prominent pedestrian corridor. This corridor will be bookended by NDSU's downtown campus and the riverfront redevelopment, placing this property directly along this connection.

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

This location will be activated during working hours from the ground floor retail and those office workers parking in the 458 stall parking garage. The 74 residential units at Roberts will activate this area throughout the day as well as during the evenings and weekends. Roberts Commons will contain a 84 bedrooms. The redesign of Roberts Alley into a pedestrian friendly corridor is making it more inviting and a unique destination to spur activity.

Connections and Coordination.

This project has been thoughtfully designed to enhance the walkability of this area. A surface parking was replaced with a mixed-use building with active ground floor retail and a design that encourages walking (frequent doors, high percentage of glass, and pedestrian scale design).

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

The project was new construction. The building was constructed with high quality materials and design meant to activate the frontage.

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

High Priority Land Use

This project meets the guideline of high-priority land use by creating a mixed-use development with active ground floor retail space and quality apartments.

Target Areas

The majority of this site has been underutilized since the 1970s. One-hundred percent of the site was currently surface parking.

Public Space

The public realm has been greatly enhanced with this mixed-use infill project. A ground floor has been designed with retail storefronts to activate the sidewalks.

Investment

This project represents a \$9.3M investment, resulting construction cost of \$119/SF, which exceeds the Renaissance Zone’s minimum of \$100/SF.

Relocation

The project is anticipated to contain only new businesses in the ground floors and the upper floors will provide a variety of housing options.

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

Private funds are committed by [1631 Hospitality]. No public funds will fund this project.

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.

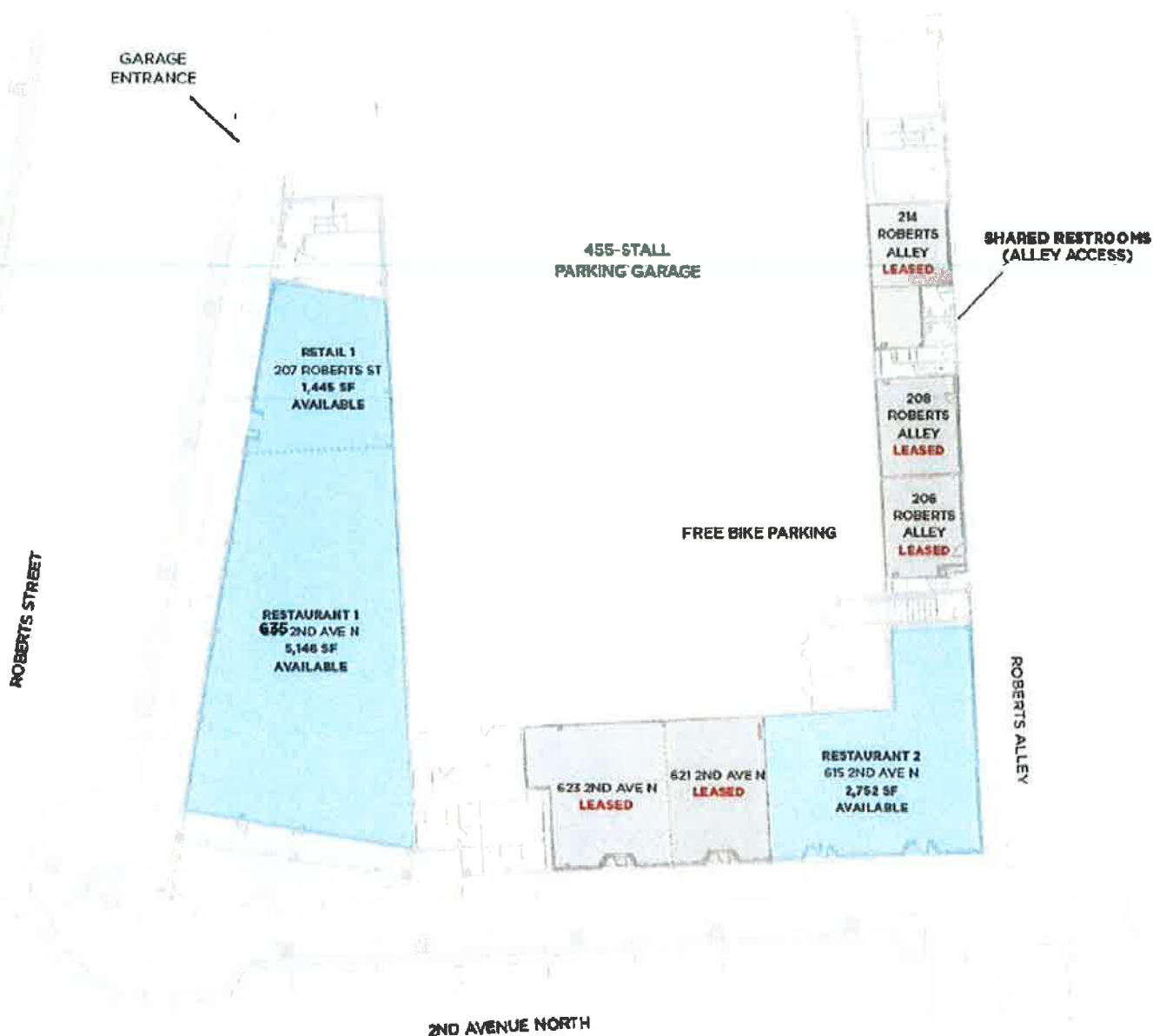
Estimated potential annual income tax savings for [1631 Hospitality] is 12,015\$

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.

Being processed by the State.

**Submit Project Proposals to:**

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





PLANNING AND DEVELOPMENT  
200 Third Street North  
Fargo, North Dakota 58102  
Phone: (701) 241-1474  
Fax: (701) 241-1526  
E-Mail: [planning@fargond.gov](mailto:planning@fargond.gov)  
[www.fargond.gov](http://www.fargond.gov)

## MEMORANDUM

**TO:** Fargo City Commission

**FROM:** Barrett Voigt, Assistant Planner

**DATE:** July 2, 2018

**RE:** Renaissance Zone Project Lease Application from Hygge Life LLC (Project 276-F) located at 615 2nd Avenue North

---

The following Renaissance Zone project application was reviewed and recommended for approval by staff per Renaissance Zone Authority Policy:

Hygge Life LLC (Project 276-F) is proposing to lease commercial space located at 615 2nd Avenue North. This project application met all of the State and local requirements for approval including that, the use is consistent with the goals and objectives as set forth within the Fargo Renaissance Zone Development Plan. The applicant is proposing to lease 1,228 feet and is looking to occupy the space by October 2018. The applicant estimates a \$9,860 income tax exemption over the 5-year term.

According to the Renaissance Zone Development Plan, the prospective tenant must be leasing a space from a building that has been approved as a Renaissance Zone project. A Renaissance Zone application for *DFI Roberts LLC* (249-F) was approved by the City of Fargo on April 25, 2016 and final approval was granted by the State on February 15, 2018.

Recommended Action: To approve the Renaissance Zone project application (Hygge Life LLC) for a lease project at 615 2nd Avenue North and to grant state income tax exemptions as recommended by staff per Renaissance Zone Authority policy.

## Renaissance Program – Lease Applicant

- Any new lessee located in Renaissance Zone approved project is eligible
- Benefits
  - \$500,000 of eligible income can be exempted per year for ND Income Tax
  - This is reduction of taxable income and is not a tax credit
  - Benefit is for 5 years
  - Only the portion of the taxpayer's North Dakota business that is attributable to the specific property is eligible

### Step 1.

Complete the highlighted sections of this Word Doc (CITY OF FARGO RENAISSANCE ZONE LEASE PROJECT APPLICATION) and send to Barrett at the City

Barrett Voigt  
Planner  
City of Fargo - Planning & Development  
200 3rd Street North  
Fargo, ND 58102  
Ph: (701) 476-4153  
bvoigt@fargond.gov

### Step 2.

A. Complete the RZ Certificate of Good Standing PDF and send to Lorie at the State

Lorie Bowker, CPA  
Supervisor, Individual Income Tax & Withholding  
North Dakota Office of State Tax Commissioner  
Phone: (701) 328-1296  
Fax: (701) 328-1942  
Bowker, Lorie J. lbowker@nd.gov

B. Once you receive the letter from the State, send to Barrett at the City

### Step 3.

Complete and sign the Business Incentive Agreement. This will be completed once the project is completed. Approximately a month after this has been received and approved by the state your 5-year income tax incentive will begin.

**\*\*designates sections that need to be completed. Submit to Barrett at City.**

Barrett Voigt  
Planner  
City of Fargo - Planning & Development  
200 3rd Street North  
Fargo, ND 58102  
Ph: (701) 476-4153  
bvoigt@fargond.gov

## CITY OF FARGO RENAISSANCE ZONE LEASE PROJECT APPLICATION

***Attn: This application must be approved by all local and state review entities prior to executing a lease.***

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.

621 2<sup>nd</sup> Ave N (located within 625 2<sup>nd</sup> Ave N)  
S 30 FT OF LT 8 & ALL OF LTS 9, 10, 11, & 12, Block 3, Roberts Addition  
PIN - 01-2381-00548-001

2. Renaissance Zone Block 2 & 6

3. Current property owner(s).

DFI ROBERTS LLC

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

Hygge Life LLC  
1225 8<sup>th</sup> St S  
Fargo, ND 58103

5. Current use of property

Mixed use five story building

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

29,996 LOT  
69,232 Building

1<sup>st</sup> - 14,868  
2<sup>nd</sup> - 15,458  
3<sup>rd</sup> - 15,458  
4<sup>th</sup> - 11,708  
5<sup>th</sup> - 11,708

Describe the impact this project has on any historical properties

The subject property previously contained only surface parking lots, but at one point included some significant historic structures.

The Columbia Hotel was located on the northeast corner of Roberts Street and 2nd Avenue North. It was a four-story brick structure with its entrance facing Roberts Street. It opened on October 1, 1888 and featured 100 electric lighted, steam heated, and superbly furnished rooms. Five years after opening, it was lost in the great fire of 1893. The ruins of the building stood at the site for a decade, as did much of the entire block, until the location became the site of Fargo's first Public Library. Aided by a \$20,000 grant from Andrew Carnegie, the new library opened January 26, 1903. A number of other buildings were constructed on 2nd Avenue between the library and the alley, most notably the Salvation Army. All were razed at different points to make way for surface parking, including the library in 1970.

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

New construction

7. Project Description.

Phase 1

The Roberts parking garage began construction in June 2016 and be completed by July 2017. This six-story garage has 458 stalls. This precast parking garage is owned by the City.

#### Phase 2

The Roberts mixed-use building lining the parking structure was completed in May 2018. The building consists of 47,615 rentable square feet of residential apartments (74 units). The ground floor includes 8,694 SF of retail along 2<sup>nd</sup> Ave N and Roberts Alley.

The addition of Hygge Life LLC DBA Pure Bare will be located at 621 2<sup>nd</sup> Ave N at the intersection of 2<sup>nd</sup> Ave and Roberts ST N. Pure Barre is a fitness studio [Total body workout that strengthens your body and mind. Set to upbeat music, our mix of classes are designed to challenge you and transform muscles in the upper body, lower body and core.

The expected date of occupancy Fall 2018.

8. 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.

- Roberts Commons includes 74 apartments (47,615 SF) and nine ground floor retail units (8,694 SF)
- \$9.3M investments results in \$119 per square foot of construction costs.

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

#### Activity Generators

Pedestrian friendly public realms fundamentally must be inviting, safe, and generate trips with a purpose. To make the space inviting requires buildings to frame the street to create an outdoor room and the buildings must have frequent doors and windows facing the sidewalk. The environment needs to be safe. Designing pedestrian friendly streets to slow traffic helps accomplish this. In addition, people feel safer in public spaces when other people are present. Finally, purposeful walking needs useful trips, which is accomplished by mixing different land use (work, shop, live, play) in a compact environment. When the built environment achieves all three (inviting, safe, and convenient) then a person will walk by choice.

With this in mind, it is easy to understand how the former project site created a dead zone for pedestrian activity. The completion of the parking garage has created a new node of activity and the subsequent completion of 74 apartments is adding new residents to the site. Most exciting is the completion of new retail spaces in Roberts Commons, which each are generating large amounts of vibrancy and foot traffic.

#### Walkable Districts.

While a parking garage is at the heart of this redevelopment, the project has been designed first and foremost for pedestrians. The ground floor of Roberts Commons includes retail along 2<sup>nd</sup> Ave and along Roberts Alley. Second Ave was redesigned with wide sidewalks making walking comfortable and providing opportunities for outdoor seating.

#### Ground Floor Uses

The ground floor of Roberts Commons – Roberts St, 2<sup>nd</sup> Ave N, and Roberts Alley will have active retail.

#### Neighborhood Center

The proximity of this location between Broadway and NDSU’s downtown campus to the west can create a potential new activity node for downtown. Roberts Alley also has the potential to become the second busiest pedestrian corridor in downtown. Roberts Commons will be at the heart of this transformation, due to the physical design of this location, the new parking garage, and also by positively influencing people’s perception of this block.

#### Transportation Issues

The project includes a 458 parking garage to serve daytime office workers, downtown residents, and visitors in the evenings and weekends. The south side of this property is served by MatBus Routes 13, 13U, and 17. NDSU students generate significant activity in this area, as many of them use Roberts St as a bike thoroughfare to Renaissance Hall. Many students also frequently pass this site to board the bus at Klai Hall. The vision of creating a 2<sup>nd</sup> Ave corridor to access the river has also influenced our design and the pedestrian friendly redesign of the street.

#### Safe Streets – Safe Neighborhoods.

The redevelopment of this block will further enhance the natural human surveillance by replacing a surface parking lot with an active ground floor of mixed retail. The introduction of residential units with these projects will further expand downtown's population and provide much needed foot traffic and activity in this area.

#### High Quality Housing

Roberts Commons will offer 74 high quality market rate residential units. These units will be geared toward students, young professionals, "renter by choice," with a variety of different configurations and price points.

#### Housing Amenities

Roberts Commons was designed by Elness Swenson Graham Architects (ESG), a 93-person architectural firm with a national practice in urban residential, restaurants, hospitality, workplace environments, student housing, higher education and urban design. Headquartered in Minneapolis, MN, the firm enjoys a leadership position in urban residential and mixed-use redevelopment. Unlike suburban style apartments that provide numerous amenities on site, these apartments will benefit from its urban location. The residents will be able to walk to dozens of restaurants, numerous art galleries, bars and clubs, the library, post office, banks, service providers, and so forth. The block of Broadway to the east is a "Walkers Paradise" according to Walk Score® and the benefit of living in a mixed-use environment cannot be overemphasized as the most important amenity for these residents.

#### Downtown Entryways

Roberts St, one of the identified corridors in the Renaissance Plan, will be improved with this mixed-use development. The streetscape, public realm, and built environment will create a much-improved experience for those on foot and in their vehicles. Improving this corridor's experience is critical to develop a positive first impression for those visitors who will use the City-owned parking garage.

#### The Place to Be

The reinvention of Roberts Alley to a pedestrian oriented public realm is meant to create a unique and sought after experience. The Alley Fair has shown how alleys can become a place for socializing and entertainment. Activating Roberts Alley with ground floor retail, restaurants, and a pedestrian friendly design can turn elements of the yearly Alley Fair into a daily experience. The corner of Roberts St and 2<sup>nd</sup> Ave has been designed for a restaurant. This south facing location with large sidewalks will create an opportunity for the restaurant to have a large outdoor seating, an experience that is frequently found in great cities, but missing from Fargo.

#### A Place Like No Other

The area surrounding this block contains some of downtown's most iconic buildings and some of Fargo's highest concentration of historic buildings. The infill of these parcels will greatly improve this prominent, yet generally overlooked area. The project names were chosen to pay homage to the historical importance of this site. Roberts Commons is named for Samuel G. Roberts; the namesake of Roberts St. Roberts, one of Fargo's earliest settlers.

#### Spruce up the area

It is well known, a Carnegie Library once stood at this location until demolished in 1971. It is assumed by many, that buildings once stood on the entirety of the surface lots where this project is located. While it is true for the Kesler Block, the lots north of 2<sup>nd</sup> Ave were never entirely developed, according to Sanborn maps of historical downtown Fargo. Prior to the great fire of 1893, only the Columbia Hotel and six row homes stood on this site. Following the great fire of 1893, the entire area was only rubble until the library was built in 1903. By 1910, six small single-family homes had been built along Roberts St and the southern block face along 2<sup>nd</sup> Ave had a continuous frontage of two and three story buildings. For all intents and purposes, the only development on this site that took place was a stretch of buildings along 2<sup>nd</sup> Ave. The remainder of the block all the way to the existing Herald Apartments was never developed or only contained a handful of small homes. Upon completion of the four phases (Roberts Garage, Roberts Commons, Kesler, and Dillard) will mark the first time this entire area has been fully built out.

#### Riverfront as an Asset

While this property is not located on the riverfront, it will benefit from future redevelopment of the riverfront, civic quad, the Block 9 Plaza, and the improved 2<sup>nd</sup> Ave corridor. Second Avenue has great potential to become a prominent pedestrian corridor. This corridor will be bookended by NDSU's downtown campus and the riverfront redevelopment, placing this property directly along this connection.

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



This location will be activated during working hours from the ground floor retail and those office workers parking in the 458 stall parking garage. The 74 residential units at Roberts will activate this area throughout the day as well as during the evenings and weekends. Roberts Commons will contain a 84 bedrooms. The redesign of Roberts Alley into a pedestrian friendly corridor is making it more inviting and a unique destination to spur activity.

Connections and Coordination.

This project has been thoughtfully designed to enhance the walkability of this area. A surface parking was replaced with a mixed-use building with active ground floor retail and a design that encourages walking (frequent doors, high percentage of glass, and pedestrian scale design).

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

The project was new construction. The building was constructed with high quality materials and design meant to activate the frontage.

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

High Priority Land Use

This project meets the guideline of high-priority land use by creating a mixed-use development with active ground floor retail space and quality apartments.

Target Areas

The majority of this site has been underutilized since the 1970s. One-hundred percent of the site was currently surface parking.

Public Space

The public realm has been greatly enhanced with this mixed-use infill project. A ground floor has been designed with retail storefronts to activate the sidewalks.

Investment

This project represents a \$9.3M investment, resulting construction cost of \$119/SF, which exceeds the Renaissance Zone’s minimum of \$100/SF.

Relocation

The project is anticipated to contain only new businesses in the ground floors and the upper floors will provide a variety of housing options.

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

Private funds are committed by [Hygge Life LLC and DFI Roberts LLC]. No public funds will fund this project.

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

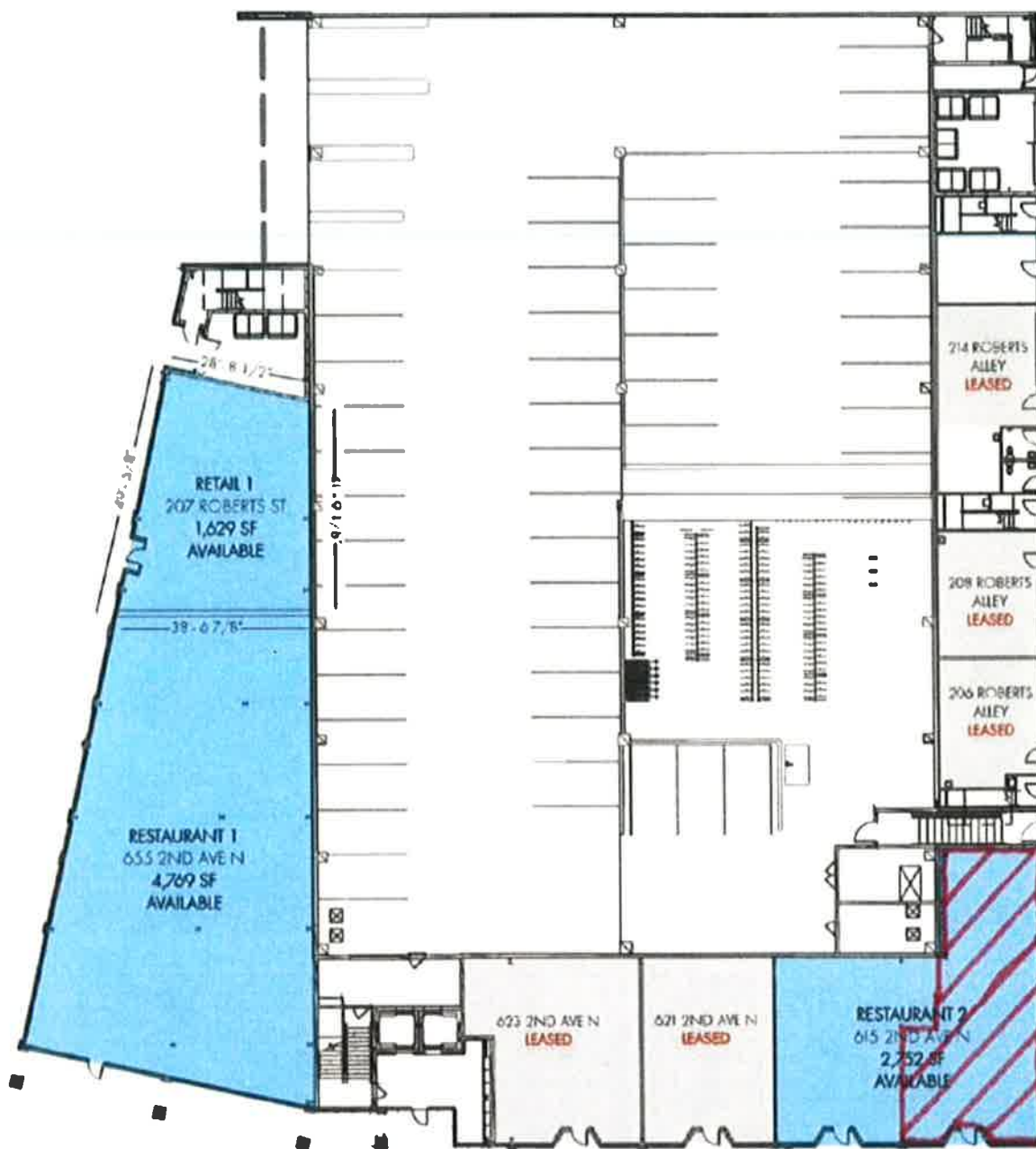
Estimated potential annual income tax savings for [Pure Barre LLC] is [\$9,860.00].

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

Certificate of Good Standing application has been completed and sent to the State for processing.

**Submit Project Proposals to:**

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





PLANNING AND DEVELOPMENT  
200 Third Street North  
Fargo, North Dakota 58102  
Phone: (701) 241-1474  
Fax: (701) 241-1526  
E-Mail: [planning@FargoND.gov](mailto:planning@FargoND.gov)  
[www.FargoND.gov](http://www.FargoND.gov)

## **MEMORANDUM**

**TO:** Fargo City Commission

**FROM:** Barrett Voigt, Assistant Planner

**DATE:** July 2, 2018

**RE:** Renaissance Zone Project Lease Application from Riverview Family Dental, PC (Project 274-F) located at 321 4th Street North

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The following Renaissance Zone project application was reviewed and recommended for approval by staff per Renaissance Zone Authority Policy:

Riverview Family Dental, PC (Project 274-F) is proposing to lease commercial space located at 321 4th Street North. This project application met all of the State and local requirements for approval including that, the use is consistent with the goals and objectives as set forth within the Fargo Renaissance Zone Development Plan. The applicant is proposing to lease 4,764 square feet and is looking to occupy the space by the fall of 2018. The applicant estimates a \$4,750 income tax exemption over the 5-year term.

According to the Renaissance Zone Development Plan, the prospective tenant must be leasing a space from a building that has been approved as a Renaissance Zone project. A Renaissance Zone application for Ruby Rules LLC (269-F) was approved by the City of Fargo on May 7, 2018 and the application will be reviewed by the State for final approval.

**Recommended Action:** To approve the Renaissance Zone project application (Riverview Family Dental, PC) for a lease project at 321 4th Street North and to grant state income tax exemptions as recommended by staff per Renaissance Zone Authority policy.

## 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

Name (*printed*): Derek Harnish  
 Address: 1118 7<sup>th</sup> St S, Fargo ND  
 Primary Phone: 701-893-5285  
 Alternative Phone: 701-235-6075  
 Email: dwharnish@gmail.com

### Representation Information (if applicable)

Name (*printed*): Mike Wickham  
 Address: 2754 Brandt Dr. S, Fargo ND  
 Primary Phone: 701-281-5641  
 Alternative Phone: 701-541-7321  
 Email: mikew@starionbank.com

### Location of property involved in the application decision

Address or Parcel Number: 321 4<sup>th</sup> St N, Fargo, ND 58102  
 Legal Description (*attach separate sheet if more space is needed*): Lot:1 Block:2 ND Urban Renewal  
#1 Lot 1 Blk 2

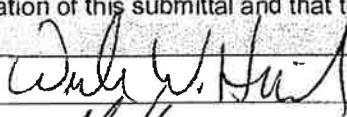
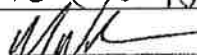
### Application Type (Please place "X" next to corresponding application type requested)

New Construction ☐  
 Rehabilitation ☐  
 Residential Purchase ☐  
 Lease ☒

### Project Description (Brief project summary)

Riverview Family Dental plans to sign a lease with Ruby Rules, LLC. Ruby Rules, LLC owns the  
Property located at 321 4<sup>th</sup> St N, Fargo, ND 58102

**Acknowledgement** – We hereby acknowledge that we have familiarized ourselves with the rules and regulations to the preparation of this submittal and that the forgoing information is true and complete to the best of our knowledge.

Owner (*Signature*):  Date: 6/13/18  
 Representative (*Signature*):  Date: 6/13/18

### Office Use Only

Date Filed: \_\_\_\_\_ Planning Office Contact: \_\_\_\_\_

## FARGO RENAISSANCE ZONE APPLICATION

### GENERAL INFORMATION:

#### GENERAL DESCRIPTION OF A RENAISSANCE ZONE

- The Renaissance Zone was created by North Dakota's Legislature in 1999 under NDCC chapter 40-63 and amended in 2001 and 2003. It is an innovative way to spur development and increase investor confidence in Downtown Fargo. Approved development and investment activity that takes place in a designated "Renaissance Zone" will become eligible for a variety of tax exemptions and/or credits.
- To create a Renaissance Zone, the City must develop a plan to describe the overall redevelopment strategy for the proposed Renaissance Zone and submit it to the Division of Community Services (DSC) for review.
- The City may designate a Renaissance Zone Authority (RZA) to promote, develop, and manage the zone.
- Each project must be approved by a majority of the Renaissance Zone Authority (RZA) and the Fargo City Commission in order to be eligible for the incentives outlined in this Act.
- This Act is effective as of January 1, 1999 and consequently does not apply to investments or activities that occurred prior to that date.

#### DEFINITION OF A ZONE BOUNDARY

- Boundary of zone must be adopted by City Commission and DCS
- All blocks in zone must be contiguous
- Zone boundary must be continuous
- Land usage must include both commercial and residential property

#### VISION FOR DOWNTOWN

Downtown Fargo is an economically vital, culturally rich mixed-use district where there are well-designed public and private spaces for residents, visitors, employees, and employers, and where an appreciation for the district's historic character and natural amenities is paramount.

#### RENAISSANCE ZONE AUTHORITY (RZA)

The Renaissance Zone Authority (RZA) is charged with three primary responsibilities: Economic Development, Promotion of the Zone, and Administration of the Zone Incentives. The City Commission has appointed the RZA to coordinate the process and to review all proposed projects. All RZA decisions that have budgetary implications will go to the City Commission for final approval. The RZA will carry out its duties with the assistance of the following agencies and organizations:

- *Fargo-Cass County Economic Development* - Primary sector economic development and management of the Renaissance Fund Corporation
- *Downtown Community Partnership* - Zone promotion and Non-primary sector economic development assistance
- *Tax Exempt Review Committee* - Individual project review for incentives

- *Department of Planning and Development* - Project planning, administration, and coordination

#### **INCENTIVES: TAX EXEMPTIONS AND CREDITS**

- The city's Renaissance Zone Plan establishes standards that each project must meet in order to be eligible to receive incentives.
- Exemptions transfer to the new owner if a property is sold during the 5-year exemption period (exemption is pro-rated based on use of property).
- If a pass-through entity (partnership, S-corporation, limited partnership, LLC, etc.) is eligible for an exemption or credit, the amount must be determined at the pass-through entity level and distributed to partners, shareholders or members in proportion to their respective interests in the pass-through entity.
- The secrecy provisions of the income tax code do not apply when a local zone authority inquires about exemptions or credits claimed in its renaissance zone.

##### **Income Tax Exemption**

- An individual taxpayer that purchases a single-family residence as primary residence may qualify for an exemption of up to \$10,000 in income tax liability for 5 taxable years, starting with date of occupancy. Single-family residence includes detached single-family detached homes, single unit in a duplex, townhouse, and condominium.
- Any taxpayer that purchases, leases, or rehabilitates residential or commercial property for any business or investment purpose, as a zone project, is exempt from any tax on income derived from the business or investment locations within the zone for five taxable years, beginning with the date of purchase, lease, or completion of rehabilitation.
- The exemptions provided in this program do not eliminate any duty to file a return or to report income as required under chapter 57-35.3 or 57-38.

##### **Property Tax Exemption**

- A municipality may grant a partial or complete exemption from ad valorem taxation of single-family residential property, exclusive of the land on which it is situated, if the property was purchased or rehabilitated by an individual for the individual's primary place of residence as a zone project.
- A municipality may grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements purchased or rehabilitated as a zone project for any business or investment purpose.
- All exemptions are determined by the municipality and may be partial or complete. Maximum length of exemption is 5 years from date of investment.

##### **Historic Preservation and Renovation Tax Credit**

- A state credit of 25% of an investment is allowed for the preservation and renovation of eligible historic property that is part of a zone project up to a maximum of \$250,000.
- A historic property is defined as property that is:
  - listed on the National Register of Historic Places;
  - a contributing structure within a National Register Historic District or a certified state or local historic district; or
  - eligible for listing in the National Historic Register of Historic Places.

- Excess credit may be carried forward for a period of up to 5 taxable years from date of investment and may be applied to an applicant's total state income tax liability (not limited to liability incurred at the zone property).

#### **Renaissance Fund Corporation (Dakota Renaissance Venture Corporation)**

- Renaissance Fund Corporation is a for-profit corporation, organized and managed by the Fargo Cass County Economic Development Corporation. A Board of Directors will govern the Fund Corporation.
- The purpose of the Corporation is to raise funds to be used to make investments in zone projects and to make investments in businesses within the Renaissance Zone to encourage capital investment and residency in downtowns and central cities.

#### ***What can the fund invest in?***

- Corporation may invest in any residential, commercial or infrastructure project in the zone.
- Financing of zone projects may include any combination of equity investments, loans, guarantees and commitments for financing.
- Amount of financing per project is not limited by the legislation.
- Each petition for investment of Corporation funds must include a plan for sale or refinancing that results in proceeds equal to or in excess of the proportional investment made by the corporation.

#### ***Tax Credit to Investors in the Fund***

- Credit against state tax liability is allowed for investments in the Corporation.
- Value of tax credit is 50% of investment made in taxable year; excess credit may be carried forward for up to 5 taxable years.
- Total credits allowed in ND may not exceed \$2.5 million (total fund investment of \$5 million).
- If an investor in the corporation wishes to redeem his or her investment within 10 years of the initial investment, that investor will not be eligible for the tax credit that is allowed in this section and will be responsible for repaying any past credits received.

For a complete explanation of the Renaissance Zone Fund organization and administration, refer to the North Dakota Renaissance Zone Program (<http://www.state.nd.us/dcs/>).

## CITY OF FARGO

### RENAISSANCE ZONE PROJECT APPLICATION INSTRUCTIONS

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### ***REHABILITATION OR PURCHASE (NEW CONSTRUCTION)***

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*Please note that this application must be approved by all local and state review entities prior to beginning rehabilitation work.*

1. Completion of Cover Sheet
2. 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.
3. Current property owner(s).
4. Name of applicant(s), mailing address, phone, email and type of entity (partnership, LLC, S-corporation, etc.).
5. Current use of property
6. Square footage of the lot and of the building (list each floor separately)
7. Describe the impact this project has on any historical properties
8. Type of project (purchase, rehabilitation, lease, purchase with major improvements, historic preservation and renovation, or a combination).
9. Project Description. Describe scope of work, including a detailed cost estimate of the work to be completed, and justification that the improvements will meet the State's 50% investment criteria.  
  
Please provide a break out of "capital improvements", as defined in **Attachment A**, 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.  
  
If this is a residential purchase project, will this be your primary residence?
10. Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible (**Attachment B**)
11. Extent of the exterior rehabilitation (demonstrated improvement to "public" face of building) – include plans and/or renderings, if available
12. Describe how the project fits under the Zone's development guidelines (**Attachment C**)
13. List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.
14. 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.
15. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (**Attachment D**) and receipt showing proof that local taxes have been paid.

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



## CITY OF FARGO RENAISSANCE ZONE PROJECT APPLICATION INSTRUCTIONS

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### ***RESIDENTIAL PURCHASE***

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***Please note that this application must be approved by all local and state review entities prior to purchase.***

1. Completion of Cover Sheet
2. 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.
3. Current property owner(s).
4. Name of applicant(s), mailing address, phone, and email.
5. Current use of property
6. Square footage of the lot, the building, and the dwelling unit.
7. Describe the impact this project has on any historical properties
8. Type of project (purchase of residential property).
9. Project Description. What is the expected date of purchase and occupancy? Will this be your primary place of residence?
10. Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible (**Attachment B**)
11. Describe how the project fits under the Zone's development guidelines (**Attachment C**)
12. List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.
13. Estimated tax impact of Zone incentives to the applicant: List the current true and full value of the building, the current annual property tax on the building, the estimated value of the building after improvements have been completed, and the estimated five-year impact. Estimate the potential annual income tax savings.
14. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (**Attachment D**) and receipt showing proof that local taxes have been paid.

**Submit Project Proposals to:**

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

## CITY OF FARGO RENAISSANCE ZONE PROJECT APPLICATION INSTRUCTIONS

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### **LEASE**

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*Please note that this application must be approved by all local and state review entities prior to executing a lease.*

1. Completion of Cover Sheet
2. 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.  
  
**321 4<sup>th</sup> St N, Fargo, ND 58102**  
**Lot: 1 Block: 2 ND Urban Renewal #1 Lot 1 Blk 2**  
**Renaissance Zone Block #8**
3. Current property owner(s).  
  
**DFI Commerce**
4. Name of applicant(s), mailing address, phone, email, and type of entity (partnership, LLC, S-corporation, etc.).  
  
**Riverview Family Dental, PC**  
**100 4<sup>th</sup> St S**  
**Fargo, ND 58104**  
**S-Corporation**
5. Current use of property.  
  
**Commercial Office – City of Fargo**
6. Square footage of the lot, the building, and the space leased. List each floor separately and provide a floor plan of the leased space)  
  
**15,000 sq. ft. – Lot**  
**5,781 sq. ft. – Building**
7. Project Description. Describe the anticipated tenant activities, scope of the activities that the tenant will undertake, and describe and the expected date of occupancy and lease.  
  
**Riverview Family Dental, PC is a family dentistry practice. Riverview Family Dental takes a holistic approach to create a welcoming, empowering and warm environment. Riverview Family Dental will plan to occupy the space in the Fall of 2018.**
8. Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible. Describe how this project addresses the needs and interests of the community (**Attachment B**).  
  
**Completed**
9. Describe how the project fits under the Zone’s development guidelines (**Attachment C**).  
  
**Completed**
10. List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.

**Starion Bank and Small Business Administration intend on financing the project for the applicant. The credit file is currently in underwriting.**

11. Estimated tax impact of Zone incentives to the applicant: Estimate the potential annual income tax savings.  
**\$4,750**
12. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (**Attachment D**) and receipt showing proof that local taxes have been paid.

**Completed**

**Submit Project Proposals to:**

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

## Attachment A – Minimum Criteria for Project Approval

In order to qualify for consideration as a Renaissance Zone project, a proposal must meet the following criteria, regardless of whether or not the project involves a new purchase (by an individual or a group or investors) or an existing ownership arrangement.<sup>1</sup> Note: In the Fargo Renaissance Zone, a transfer of property ownership does not automatically qualify a transaction as an approved Zone project. The intent of these criteria is to encourage and reward significant levels of investment in Zone properties.

1. Proposals involving **existing buildings** (All local and state review and approvals must be secured prior to construction and/or acquisition).
  - a. Use consistent with the plan, as per “Vision and Goals” and “Redevelopment Strategies” outlined in this document.
  - b. Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building.
  - c. Minimum level of investment
    - i. Commercial. Investment in rehabilitation that totals no less than 50 percent of the current true and full valuation of the building. The application must also prove that the investment totals at least \$40 in capital improvements per square foot<sup>2</sup> (with differentiation between uses in mixed use projects). The Renaissance Zone Authority has the authority to waive the square foot investment requirement for certain projects.
    - ii. Residential. Investment in capital improvements that totals no less than 20 percent of the current true and full valuation of the building. The application must also prove that the investment totals at least \$25 in capital improvements per square foot for residential properties (with differentiation between uses in mixed use projects). The Renaissance Zone Authority has the authority to waive the square foot investment requirement for certain projects.
  - d. Project scope that addresses the interior and exterior of the building in a comprehensive and complete manner.
2. Proposals involving **new construction or additions** (All local and state review and approvals must be secured prior to construction).
  - a. Use consistent with the plan, per the “Vision and Goals” outlined in this document.
  - b. Investment of at least \$100 in capital improvements per square foot.<sup>3</sup>
3. Proposals involving a **commercial lease** (tenancy, not ownership). All required local and state reviews and approvals must be secured prior to execution of the qualifying lease.
  - a. Tenant must be leasing space in a building that has been approved as a Zone project (see above criteria to be eligible for consideration).
    - i. Proposals involving **single-family residences** (All local and state review and approvals must be secured prior to acquisition<sup>1</sup>) Single-family residences include single-family attached and detached homes, twin homes, town homes, and condominiums. The applicant must provide verification that the project location will be their primary place of residence.

<sup>1</sup> Note: All dollar values included in criteria/guideline statements are assumed to be in 1999 dollars. To account for inflation, the Department of Planning and Development will index these figures on an annual basis, according to the Consumer Price Index.

<sup>2</sup> The Renaissance Zone Plan defines capital expenses as the cost incurred for the repair, replacement or renovation of a building's: exterior, roof, structure, electrical and/or plumbing systems, heating/ventilation/air conditioning systems, windows, exterior doors, elevator improvements and accessibility. The square footage used to calculate required investment levels will be based on the square footage of the entire building (excluding the basement).

<sup>3</sup> The square footage used to calculate required investment levels will be based on the square footage of the entire building (excluding the basement).

## Attachment B – Vision and Goals Project Review Guidelines

No plan can be successful without a collective vision that reflects the many needs and interests of the community. This plan will focus only on the vision and goals that apply to the Renaissance Zone in Fargo. The people and organizations that are involved in the implementation of this plan will develop the exact objectives that accompany the vision and goals over time.<sup>4</sup>

### Vision

Local ideas about downtown revitalization do not appear to be transitory. The vision for the Renaissance Zone is entirely consistent with the vision for downtown that has been articulated in a number of recent planning efforts. The Vision for the Renaissance Zone, as defined by the Renaissance Zone Advisory Committee, follows:

Fargo's Downtown Renaissance Zone is an economically vital, culturally rich mixed-use district where there are well-designed public and private spaces for residents, visitors, employees, and employers, and where an appreciation for the district's historic character and natural amenities is paramount.

### Economic Vitality

Provide an environment that will both strengthen current businesses and attract new commercial enterprises in order to build a sound economic base that is marked by sustainability and diversity.

### Housing Diversity

Encourage sustainability in the downtown residential market by promoting the development of upscale, market-rate housing options, enhancing the sense of community and neighborhood in the downtown area, and in general, increasing the area's attractiveness as a place to live, work and play.

### Vibrant City Center

Make downtown Fargo a desirable destination by creating a physical environment that is aesthetically pleasing and sensitive to the historic significance of the area, while also encouraging programs, activities and investments that will draw visitors and residents downtown.

### Goals

Fargo's Renaissance Zone program goals and those of the State of North Dakota both focus on the need for renewal, investment and redevelopment. The Renaissance Zone Advisory Committee tried to determine what it would take to encourage the type of downtown revitalization that is in keeping with these ideas and with the tenets of the vision statement. The following list of goals helps to define the direction that should be followed as the RZA reviews and approves Renaissance Zone projects.

Above all else, putting vitality back in the downtown means getting people to go there and to use it. It is imperative that we work together to make the downtown Renaissance Zone a place people not only need to go, but a place people want to go.

**Activity Generators.** Develop activity-generating enterprises along the Renaissance Zone's major commercial corridors: Broadway/Roberts Street and NP/1<sup>st</sup> Avenues.

**Walkable Districts.** Create "walkable districts" (10 minute walk from one end to the other) that integrate a wide range of activities and land uses, including cultural attractions; thus encouraging on-street activity and interaction while discouraging unnecessary auto traffic, parking problems, and congestion.

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

<sup>4</sup> The terms used to describe the planning process can sometimes be confusing, but the general idea underlying each of them is clear. A "Vision" is a forward-looking statement that describes a desired future – "What do we want downtown Fargo to be in the future?" Goals state what it is we mean to do, although not yet in detail. They provide general direction and describe the issues that were identified in the vision (the desired future). Objectives are achievable, measurable steps taken to achieve one or more goals. They specify a single key result and explain concisely the "what", "when", "how much" and/or "how many".

**Neighborhood Center.** Make "Broadway" Fargo's "Main Street" – a pedestrian-friendly, mixed-use magnet that anchors downtown neighborhoods. It is a natural neighborhood center because it is a connection between the MeritCare and Island Park areas, as well as between the west side and riverfront districts.

**Transportation Issues.** Manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial development and will make the entire area more user-friendly.

**Safe Streets – Safe Neighborhoods.** Encourage safe streets and safe neighborhoods by relying on and utilizing the "natural surveillance" of lively and active streets.

- **User Needs.** Encourage projects that consider the needs of their users, in addition to the needs of downtown users in general.

**High Quality Housing.** Stimulate 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.

**Housing Amenities.** Integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones.

**Downtown Entryways.** Enhance auto entry experiences with landscaping improvements to all major corridors (Broadway/Roberts, 1<sup>st</sup>/NP Avenues, and Main Avenue) and gateway statements at Broadway/Main Avenue, Broadway/6<sup>th</sup> Avenue N, 1<sup>st</sup> Avenue/River, Main Avenue/River, and Main Avenue/10<sup>th</sup> Street.

**The Place to Be.** Make downtown the entertainment/cultural/recreational center of the city: "If you're looking for something to do - downtown is the place to be." Make downtown a key destination for visitors/conventioneers and a key destination for residents.

**A Place Like No Other.** 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.

**Riverfront Open Space.** Provide additional riverfront parks and open spaces for downtown resident and visitor recreation and for riverfront image enhancement.

**Spruce up the area.** Encourage artists to use place-based artwork (i.e. river-themed or historic-themed murals) to spruce up buildings and the entire area in a way that brings a sense of community pride and excitement to downtown Fargo.

**Riverfront as an Asset.** Recognize and utilize the riverfront as one of the city's greatest assets while respecting its role as a powerful and active river. Make the downtown riverfront a source of pride and enjoyment for local residents.

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

**Connections and Coordination.** Coordinate public and private efforts to ensure that projects enhance, rather than detract from the connectivity of the area. Strong connections between people, places and things to do are vital to creating a strong sense of community.

**Please complete the following that apply:**

**A.** Is the proposed use of the project 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 #8** will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:

1. *Activity Generator [goal]:* Will the project develop activity-generating enterprises along major commercial corridors of the Renaissance Zone? If true, how?  
The proposed project will create additional activity along 4<sup>th</sup> St and 4<sup>th</sup> Ave in downtown Fargo.  
This project coupled with the new Fargo City Hall and City Centre Lofts will create a significant amount of activity between Broadway and the Red River.  
The project is located within 2-3 blocks of the two main corridors(Broadway & NP). The building will be open and serving the public 7 days a week- mornings, afternoons and evenings.
2. *Walkable Districts [goal]:* Will the project create “walkable districts” that integrate a wide range of activities and land uses that encouraging on-street activity? If true, how?  
The project will increase the ‘livability’ and ‘walkability’ of downtown by bringing services that are needed to an area that is losing these types of businesses to the rapid development of other areas of the city. Helping enhance downtown as more that the place to be for entertainment, but also a fully realized walkable community. A place where people can walk to attain full body, whole health wellness as well as shop, dine and live.
3. *Ground Floor Uses [goal]:* Will the project reserve ground floor land uses to those that will encourage streets to come to life – shops, offices, cafes, restaurants and other “public” facilities? If true, how?  
The parking lot in the back of the building could serve as an outdoor meeting area for community-wide cultural and social justice gatherings.
4. *Neighborhood Center [goal]:* Will the project make “Broadway” Fargo’s “Main Street” – a pedestrian-friendly, mixed-use magnet that anchors downtown neighborhoods? If true, how?  
The project will not have a direct impact on Broadway but will continue to revitalize the surrounding artery streets that feed into Broadway and improve the overall sense of community. The project will be pedestrian friendly and be a long term anchor to downtown.
5. *Urban Design [goal]:* Will the project the projects 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? If true, how?  
The project is currently in the preliminary design phases but the applicant intends to maintain much of the design elements to maintain the historic feel along with eliminating any deteriorating exterior conditions. The project will respect the past design elements with modern updates.
6. *Transportation [goal]:* Will the project manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial developments and make the entire area more user-friendly. If true, how?  
Due to off street parking availability allowing access to these resources there will be minimal impact on downtown transportation issues.

7. *Safe Streets – Safe Neighborhoods [goal]:* Will the project encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets? If true, how?

The applicant will focus on creating a safe area for their clients, customer and employees. .

The location of the project is near the local police station and near the new city hall. The project will also create lively pedestrian traffic due to offering yoga classes throughout the evening and on weekends

8. *High Quality Housing [goal]:* Will the project 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? If true, how?

Proposed project will not include any residential housing.

9. *Infill [goal]:* Will the project 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.) If true, how?

The proposed project will not have an impact on infill but will rather improve the pedestrian activity and revitalized an underutilized property in downtown Fargo.

10. *Housing Amenities [goal]:* Will the project integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones? If true, how?

Project is not providing housing.

11. *Downtown Entryways [goal]:* Will the project 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? If true, how?

The project will improve the landscape of the property but is not located at any of the major corridors.

12. *The Place to Be [goal]:* Will the project make downtown the entertainment/cultural/recreational center of the city, a key destination for visitors/conventioners, and a key destination for residents? If true, how?

The continued revitalization of properties in downtown Fargo contribute to making it a destination and “The Place to Be”.

Residents and non-residents will view Riverview Family Dental as a destination. Riverview Family Dental will bring a modern, state of the art facility to downtown, serving patients who live downtown and beyond with oral health as well as systematic wellness. Healthcare professionals are decreasing in numbers in the downtown area and we aim to create a facility that will remain in the downtown community for many years to come.

13. *A Place Like No Other [goal]:* Will the project 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? If true, how?

The ‘Chamber’ building will be brought back to its aesthetic & architectural glory, respecting the original historic design, updating it for modern use as well as improving the exterior landscaping design and maintenance.



14. *24 Hours a day – 7 Days per Week – 365 Days a Year [goal]*: Will the project 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? If true, how?

The dental practice will have 'normal' business hours while the yoga studio will have varying hours of operation which will include evenings and weekends.

15. *Connections and Coordination [goal]*: Will the project create strong connections between people, places, and things to do that are vital to creating a strong sense of community? If true, how?

Riverview Family Dental will have significant involvement in the community which will create strong connections between people and businesses in downtown Fargo.

**B.** Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan? [note that for mixed-use projects the total square footage should be dissected into commercial and residential totals for comparison to minimum investment thresholds]:

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

1. The structure accommodates 5,781 square feet, as follows:
  - a. Lot Size: 15,000 SF
  - b. Proposed Building Total: 5,781 SF
  - c. Overall, the application estimates a total capital investment (cost incurred for the repair, replacement or renovation of a building's: exterior, roof, structure, electrical and/or plumbing systems, heating/ventilation/air conditioning systems, windows, exterior doors, elevator improvements and accessibility. The square footage used to calculate required investment levels will be based on the square footage of the entire building excluding the basement) of \$669,602.50, which calculates to approximately \$115.83 per square foot.

## Attachment C – Project Review Guidelines

Each potential Renaissance Zone project (as defined by the previously described minimum criteria) will be evaluated by the locally designated Zone Authority and rated according to a number of factors. The designated review committee will have discretion to recommend that the City Commission award incentives up to a certain level, within the defined guidelines.

Note that compliance with each of the guidelines, as defined below, is not necessary for project approval; the guidelines are simply factors that can be used to evaluate the varied range of projects that are likely to come before the Zone Authority.

1. **High Priority Land Use.** Redevelopment or Reinvestment to a high priority land use
  - a. Primary sector business
  - b. Active Commercial, Specialty Retail and/or Destination Commercial
  - c. Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)
  - d. Large, upscale residential units
  - e. Note: Creation of storage, warehousing, adult entertainment facilities or single room apartments is not consistent with the goals outlined in the Renaissance Zone Plan
2. **Targeted Areas.** Redevelopment or Reinvestment in a targeted area
  - a. Parcels that have been vacant or underutilized for an extended period of time
  - b. Parcels specifically targeted for clearance
  - c. Note: Property owned by the railroad will not be eligible to receive incentives unless ownership is transferred from the railroad to a private party
3. **Public Space.** Redevelopment or Reinvestment to create civic space or to strengthen pedestrian corridors
  - a. Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration
  - b. Demonstrated commitment to strengthening pedestrian corridors and issues of "connection"
  - c. Attention to streetscape amenities
4. **Investment.** Amount of actual capital investment in the project
  - a. 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)
5. **Relocation.** Movement of commercial businesses
  - a. Commercial tenants that are relocating within the Downtown Area are not eligible for tax incentives without special approval from the RZA.
  - b. Commercial tenants that are relocated from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the RZA.

**Please complete the following that apply:**

**A.** The proposed development or lease are representative of "High Priority Land Uses" as defined by this RZ Plan (see pg. 29).

1. Is this a Primary Sector Business? If true, how?

No

2. Is this an Active Commercial, Specialty Retail or Destination? If true, how?

The project will contain two active commercial tenants. A dental practice and a yoga studio.

3. Is this a Mixed-Use Development? If true, how?

No

4. Does this development include large, upscale residential units? If true, how?

No

**B.** Target Area Considerations: consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance.

1) Is this parcels vacant or underutilized for an extended period of time? If true, how?

The property is currently under a short term lease with the City of Fargo until the new city hall is completed. The current owner of the property plans to divest the property from their real estate portfolio. Sale and revitalization of the property would fully utilize the parcel of land.

2) Is this a parcel specifically targeted for clearance in the Renaissance Zone Plan?

Yes

**C.** Will the project create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or contribute to street level activation?

Ecce Yoga will serve the downtown community (as well as the surrounding area and visitors) by creating and maintaining health and wellness through yoga/meditation/dance classes as well as by hosting community-wide cultural and social justice gatherings.

**D.** Will the proposed project meet investment minimum criteria? How?

Yes, project is expected to exceed the minimum investment criteria by having capital expenditures of approximately \$115 per square foot which is nearly 3 times the required amount.

**E.** Will the proposed project accommodate the relocation of a business from another North Dakota community? If true, how?

No, Riverview Family Dental is a Fargo based business and will be moving from a leased space south of Main Ave in Fargo to the proposed location.

**F.** 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? If true, how?

Unknown – The project will maintain the original historic design.

**Attachment D – Certificate of Good Standing**

(<http://www.nd.gov/tax/genforms/rzrequestingcertificategoodstanding.pdf?2013031410113>)



**PLANNING AND DEVELOPMENT**  
200 Third Street North  
Fargo, North Dakota 58102  
Phone: (701) 241-1474  
Fax: (701) 241-1526  
E-Mail: [planning@FargoND.gov](mailto:planning@FargoND.gov)  
[www.FargoND.gov](http://www.FargoND.gov)



**MEMORANDUM**

**TO:** Fargo City Commission

**FROM:** Barrett Voigt, Assistant Planner

**DATE:** July 2, 2018

**RE:** Renaissance Zone Project Lease Application from Ecce Yoga LLC  
(Project 275-F) located at 321 4th Street North

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The following Renaissance Zone project application was reviewed and recommended for approval by staff per Renaissance Zone Authority Policy:

Ecce Yoga LLC (Project 275-F) is proposing to lease commercial space located at 321 4th Street North. This project application met all of the State and local requirements for approval including that, the use is consistent with the goals and objectives as set forth within the Fargo Renaissance Zone Development Plan. The applicant is proposing to lease 792 square feet and is looking to occupy the space by the fall of 2018. The applicant estimates a \$500 income tax exemption over the 5-year term.

According to the Renaissance Zone Development Plan, the prospective tenant must be leasing a space from a building that has been approved as a Renaissance Zone project. A Renaissance Zone application for Ruby Rules LLC (269-F) was approved by the City of Fargo on May 7, 2018 and the application will be reviewed by the State for final approval.

Recommended Action: To approve the Renaissance Zone project application (Ecce Yoga LLC) for a lease project at 321 4th Street North and to grant state income tax exemptions as recommended by staff per Renaissance Zone Authority policy.

## Preliminary 2019 CIP - Original

Preliminary 2019 Capital Improvement Projects														City Funding Sources																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Preliminary 2019 CIP - Revised (No Water Main and Street Reconstruction Projects)

[illegible]

### Summary of Revision

- \$8,700,000 reduction in Construction Costs
- \$1,044,000 reduction in Engineering/Admin Fees
- \$2,827,500 reduction in Special Assessments
- \$8,482,500 reduction in City Funds (Sales Tax, Wastewater Utility, Water Main Replacement Fund)



## 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.

<b>Contact Information</b> Name ( <i>printed</i> ): <u>Brenda Weiler</u> Address: <u>1118 7<sup>th</sup> St S, Fargo ND</u> Primary Phone: <u>701-893-5609</u> Alternative Phone: _____ Email: <u>ecceyoga@gmail.com</u>	<b>Representation Information (<i>if applicable</i>)</b> Name ( <i>printed</i> ): <u>Mike Wickham</u> Address: <u>2754 Brandt Dr. S, Fargo ND</u> Primary Phone: <u>701-281-5641</u> Alternative Phone: <u>701-541-7321</u> Email: <u>mikew@starionbank.com</u>
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<b>Location of property involved in the application decision</b> Address or Parcel Number: <u>321 4<sup>th</sup> St N, Fargo, ND 58102</u> Legal Description ( <i>attach separate sheet if more space is needed</i> ): <u>Lot:1 Block:2 ND Urban Renewal</u> <u>#1 Lot 1 Blk 2</u>
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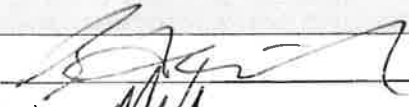
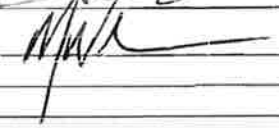
  

<b>Application Type</b> (Please place "X" next to corresponding application type requested) New Construction _____ Rehabilitation _____ Residential Purchase _____ Lease <u>  X  </u>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>Project Description</b> ( <i>Brief project summary</i> ) <u>Ecce Yoga LLC plans to sign a lease with Ruby Rules, LLC. Ruby Rules, LLC owns the</u> <u>Property located at 321 4<sup>th</sup> St N, Fargo, ND 58102</u>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>Acknowledgement</b> – 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>6/13/18</u>
Representative ( <i>Signature</i> ): <u></u>	Date: <u>6/13/18</u>

<b>Office Use Only</b>	
Date Filed: _____	Planning Office Contact: _____

## **FARGO RENAISSANCE ZONE APPLICATION**

### **GENERAL INFORMATION:**

#### **GENERAL DESCRIPTION OF A RENAISSANCE ZONE**

- The Renaissance Zone was created by North Dakota's Legislature in 1999 under NDCC chapter 40-63 and amended in 2001 and 2003. It is an innovative way to spur development and increase investor confidence in Downtown Fargo. Approved development and investment activity that takes place in a designated "Renaissance Zone" will become eligible for a variety of tax exemptions and/or credits.
- To create a Renaissance Zone, the City must develop a plan to describe the overall redevelopment strategy for the proposed Renaissance Zone and submit it to the Division of Community Services (DSC) for review.
- The City may designate a Renaissance Zone Authority (RZA) to promote, develop, and manage the zone.
- Each project must be approved by a majority of the Renaissance Zone Authority (RZA) and the Fargo City Commission in order to be eligible for the incentives outlined in this Act.
- This Act is effective as of January 1, 1999 and consequently does not apply to investments or activities that occurred prior to that date.

#### **DEFINITION OF A ZONE BOUNDARY**

- Boundary of zone must be adopted by City Commission and DCS
- All blocks in zone must be contiguous
- Zone boundary must be continuous
- Land usage must include both commercial and residential property

#### **VISION FOR DOWNTOWN**

Downtown Fargo is an economically vital, culturally rich mixed-use district where there are well-designed public and private spaces for residents, visitors, employees, and employers, and where an appreciation for the district's historic character and natural amenities is paramount.

#### **RENAISSANCE ZONE AUTHORITY (RZA)**

The Renaissance Zone Authority (RZA) is charged with three primary responsibilities: Economic Development, Promotion of the Zone, and Administration of the Zone Incentives. The City Commission has appointed the RZA to coordinate the process and to review all proposed projects. All RZA decisions that have budgetary implications will go to the City Commission for final approval. The RZA will carry out its duties with the assistance of the following agencies and organizations:

- *Fargo-Cass County Economic Development* - Primary sector economic development and management of the Renaissance Fund Corporation
- *Downtown Community Partnership* - Zone promotion and Non-primary sector economic development assistance
- *Tax Exempt Review Committee* - Individual project review for incentives



- *Department of Planning and Development* - Project planning, administration, and coordination

#### **INCENTIVES: TAX EXEMPTIONS AND CREDITS**

- The city's Renaissance Zone Plan establishes standards that each project must meet in order to be eligible to receive incentives.
- Exemptions transfer to the new owner if a property is sold during the 5-year exemption period (exemption is pro-rated based on use of property).
- If a pass-through entity (partnership, S-corporation, limited partnership, LLC, etc.) is eligible for an exemption or credit, the amount must be determined at the pass-through entity level and distributed to partners, shareholders or members in proportion to their respective interests in the pass-through entity.
- The secrecy provisions of the income tax code do not apply when a local zone authority inquires about exemptions or credits claimed in its renaissance zone.

##### **Income Tax Exemption**

- An individual taxpayer that purchases a single-family residence as primary residence may qualify for an exemption of up to \$10,000 in income tax liability for 5 taxable years, starting with date of occupancy. Single-family residence includes detached single-family detached homes, single unit in a duplex, townhouse, and condominium.
- Any taxpayer that purchases, leases, or rehabilitates residential or commercial property for any business or investment purpose, as a zone project, is exempt from any tax on income derived from the business or investment locations within the zone for five taxable years, beginning with the date of purchase, lease, or completion of rehabilitation.
- The exemptions provided in this program do not eliminate any duty to file a return or to report income as required under chapter 57-35.3 or 57-38.

##### **Property Tax Exemption**

- A municipality may grant a partial or complete exemption from ad valorem taxation of single-family residential property, exclusive of the land on which it is situated, if the property was purchased or rehabilitated by an individual for the individual's primary place of residence as a zone project.
- A municipality may grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements purchased or rehabilitated as a zone project for any business or investment purpose.
- All exemptions are determined by the municipality and may be partial or complete. Maximum length of exemption is 5 years from date of investment.

##### **Historic Preservation and Renovation Tax Credit**

- A state credit of 25% of an investment is allowed for the preservation and renovation of eligible historic property that is part of a zone project up to a maximum of \$250,000.
- A historic property is defined as property that is:
  - listed on the National Register of Historic Places;
  - a contributing structure within a National Register Historic District or a certified state or local historic district; or
  - eligible for listing in the National Historic Register of Historic Places.

- Excess credit may be carried forward for a period of up to 5 taxable years from date of investment and may be applied to an applicant's total state income tax liability (not limited to liability incurred at the zone property).

**Renaissance Fund Corporation (Dakota Renaissance Venture Corporation)**

- Renaissance Fund Corporation is a for-profit corporation, organized and managed by the Fargo Cass County Economic Development Corporation. A Board of Directors will govern the Fund Corporation.
- The purpose of the Corporation is to raise funds to be used to make investments in zone projects and to make investments in businesses within the Renaissance Zone to encourage capital investment and residency in downtowns and central cities.

***What can the fund invest in?***

- Corporation may invest in any residential, commercial or infrastructure project in the zone.
- Financing of zone projects may include any combination of equity investments, loans, guarantees and commitments for financing.
- Amount of financing per project is not limited by the legislation.
- Each petition for investment of Corporation funds must include a plan for sale or refinancing that results in proceeds equal to or in excess of the proportional investment made by the corporation.

***Tax Credit to Investors in the Fund***

- Credit against state tax liability is allowed for investments in the Corporation.
- Value of tax credit is 50% of investment made in taxable year; excess credit may be carried forward for up to 5 taxable years.
- Total credits allowed in ND may not exceed \$2.5 million (total fund investment of \$5 million).
- If an investor in the corporation wishes to redeem his or her investment within 10 years of the initial investment, that investor will not be eligible for the tax credit that is allowed in this section and will be responsible for repaying any past credits received.

For a complete explanation of the Renaissance Zone Fund organization and administration, refer to the North Dakota Renaissance Zone Program (<http://www.state.nd.us/dcs/>).

## CITY OF FARGO

### RENAISSANCE ZONE PROJECT APPLICATION INSTRUCTIONS

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### ***REHABILITATION OR PURCHASE (NEW CONSTRUCTION)***

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*Please note that this application must be approved by all local and state review entities prior to beginning rehabilitation work.*

1. Completion of Cover Sheet
2. 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.
3. Current property owner(s).
4. Name of applicant(s), mailing address, phone, email and type of entity (partnership, LLC, S-corporation, etc.).
5. Current use of property
6. Square footage of the lot and of the building (list each floor separately)
7. Describe the impact this project has on any historical properties
8. Type of project (purchase, rehabilitation, lease, purchase with major improvements, historic preservation and renovation, or a combination).
9. Project Description. Describe scope of work, including a detailed cost estimate of the work to be completed, and justification that the improvements will meet the State's 50% investment criteria.  
  
Please provide a break out of "capital improvements", as defined in **Attachment A**, 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.  
  
If this is a residential purchase project, will this be your primary residence?
10. Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible (**Attachment B**)
11. Extent of the exterior rehabilitation (demonstrated improvement to "public" face of building) – include plans and/or renderings, if available
12. Describe how the project fits under the Zone's development guidelines (**Attachment C**)
13. List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.
14. 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.
15. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (**Attachment D**) and receipt showing proof that local taxes have been paid.

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

## CITY OF FARGO RENAISSANCE ZONE PROJECT APPLICATION INSTRUCTIONS

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### **RESIDENTIAL PURCHASE**

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***Please note that this application must be approved by all local and state review entities prior to purchase.***

1. Completion of Cover Sheet
2. 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.
3. Current property owner(s).
4. Name of applicant(s), mailing address, phone, and email.
5. Current use of property
6. Square footage of the lot, the building, and the dwelling unit.
7. Describe the impact this project has on any historical properties
8. Type of project (purchase of residential property).
9. Project Description. What is the expected date of purchase and occupancy? Will this be your primary place of residence?
10. Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible (**Attachment B**)
11. Describe how the project fits under the Zone's development guidelines (**Attachment C**)
12. List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.
13. Estimated tax impact of Zone incentives to the applicant: List the current true and full value of the building, the current annual property tax on the building, the estimated value of the building after improvements have been completed, and the estimated five-year impact. Estimate the potential annual income tax savings.
14. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (**Attachment D**) and receipt showing proof that local taxes have been paid.

**Submit Project Proposals to:**

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

## CITY OF FARGO RENAISSANCE ZONE PROJECT APPLICATION INSTRUCTIONS

### **LEASE**

***Please note that this application must be approved by all local and state review entities prior to executing a lease.***

1. Completion of Cover Sheet
2. 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.  
**321 4<sup>th</sup> St N, Fargo, ND 58102**  
**Lot: 1 Block: 2 ND Urban Renewal #1 Lot 1 Blk 2**  
**Renaissance Zone Block #8**
3. Current property owner(s).  
**DFI Commerce**
4. Name of applicant(s), mailing address, phone, email, and type of entity (partnership, LLC, S-corporation, etc.).  
**Ecce Yoga LLC**  
**100 4<sup>th</sup> St S**  
**Fargo, ND 58104**  
**LLC**
5. Current use of property.  
**Commercial Office – City of Fargo**
6. Square footage of the lot, the building, and the space leased. List each floor separately and provide a floor plan of the leased space)  
**15,000 sq. ft. – Lot**  
**5,781 sq. ft. – Building**
7. Project Description. Describe the anticipated tenant activities, scope of the activities that the tenant will undertake, and describe and the expected date of occupancy and lease.  
**Ecce Yoga will serve the downtown community by offering several variations of Yoga classes including Gentle/Restorative, Yoga & Chai and Prenatal Yoga. Tenant plans to occupy the space in the Fall of 2018.**
8. Describe how the project enhances the stated Renaissance Zone goals and objectives, being as specific as possible. Describe how this project addresses the needs and interests of the community (**Attachment B**).  
**Completed**
9. Describe how the project fits under the Zone's development guidelines (**Attachment C**).  
**Completed**
10. List of public and private financial commitments. If the project is funded by the Renaissance Zone Fund, describe type of funding and amounts.

**Starion Bank and Small Business Administration intend on financing the project for the applicant. The credit file is currently in underwriting.**

11. Estimated tax impact of Zone incentives to the applicant: Estimate the potential annual income tax savings.  
**\$500**
12. Provide evidence that the applicant is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (**Attachment D**) and receipt showing proof that local taxes have been paid.

**Completed**

**Submit Project Proposals to:**

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

## Attachment A – Minimum Criteria for Project Approval

In order to qualify for consideration as a Renaissance Zone project, a proposal must meet the following criteria, regardless of whether or not the project involves a new purchase (by an individual of a group or investors) or an existing ownership arrangement.<sup>1</sup> Note: In the Fargo Renaissance Zone, a transfer of property ownership does not automatically qualify a transaction as an approved Zone project. The intent of these criteria is to encourage and reward significant levels of investment in Zone properties.

1. Proposals involving **existing buildings** (All local and state review and approvals must be secured prior to construction and/or acquisition).
  - a. Use consistent with the plan, as per “Vision and Goals” and “Redevelopment Strategies” outlined in this document.
  - b. Exterior rehabilitation sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building.
  - c. Minimum level of investment
    - i. Commercial. Investment in rehabilitation that totals no less than 50 percent of the current true and full valuation of the building. The application must also prove that the investment totals at least \$40 in capital improvements per square foot<sup>2</sup> (with differentiation between uses in mixed use projects). The Renaissance Zone Authority has the authority to waive the square foot investment requirement for certain projects.
    - ii. Residential. Investment in capital improvements that totals no less than 20 percent of the current true and full valuation of the building. The application must also prove that the investment totals at least \$25 in capital improvements per square foot for residential properties (with differentiation between uses in mixed use projects). The Renaissance Zone Authority has the authority to waive the square foot investment requirement for certain projects.
  - d. Project scope that addresses the interior and exterior of the building in a comprehensive and complete manner.
2. Proposals involving **new construction or additions** (All local and state review and approvals must be secured prior to construction).
  - a. Use consistent with the plan, per the “Vision and Goals” outlined in this document.
  - b. Investment of at least \$100 in capital improvements per square foot.<sup>3</sup>
3. Proposals involving a **commercial lease** (tenancy, not ownership). All required local and state reviews and approvals must be secured prior to execution of the qualifying lease.
  - a. Tenant must be leasing space in a building that has been approved as a Zone project (see above criteria to be eligible for consideration).
    - i. Proposals involving **single-family residences** (All local and state review and approvals must be secured prior to acquisition)<sup>1</sup> Single-family residences include single-family attached and detached homes, twin homes, town homes, and condominiums. The applicant must provide verification that the project location will be their primary place of residence.

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<sup>1</sup> Note: All dollar values included in criteria/guideline statements are assumed to be in 1999 dollars. To account for inflation, the Department of Planning and Development will index these figures on an annual basis, according to the Consumer Price Index.

<sup>2</sup> The Renaissance Zone Plan defines capital expenses as the cost incurred for the repair, replacement or renovation of a building's: exterior, roof, structure, electrical and/or plumbing systems, heating/ventilation/air conditioning systems, windows, exterior doors, elevator improvements and accessibility. The square footage used to calculate required investment levels will be based on the square footage of the entire building (excluding the basement).

<sup>3</sup> The square footage used to calculate required investment levels will be based on the square footage of the entire building (excluding the basement).

## Attachment B – Vision and Goals Project Review Guidelines

No plan can be successful without a collective vision that reflects the many needs and interests of the community. This plan will focus only on the vision and goals that apply to the Renaissance Zone in Fargo. The people and organizations that are involved in the implementation of this plan will develop the exact objectives that accompany the vision and goals over time.<sup>4</sup>

### Vision

Local ideas about downtown revitalization do not appear to be transitory. The vision for the Renaissance Zone is entirely consistent with the vision for downtown that has been articulated in a number of recent planning efforts. The Vision for the Renaissance Zone, as defined by the Renaissance Zone Advisory Committee, follows:

Fargo's Downtown Renaissance Zone is an economically vital, culturally rich mixed-use district where there are well-designed public and private spaces for residents, visitors, employees, and employers, and where an appreciation for the district's historic character and natural amenities is paramount.

### Economic Vitality

Provide an environment that will both strengthen current businesses and attract new commercial enterprises in order to build a sound economic base that is marked by sustainability and diversity.

### Housing Diversity

Encourage sustainability in the downtown residential market by promoting the development of upscale, market-rate housing options, enhancing the sense of community and neighborhood in the downtown area, and in general, increasing the area's attractiveness as a place to live, work and play.

### Vibrant City Center

Make downtown Fargo a desirable destination by creating a physical environment that is aesthetically pleasing and sensitive to the historic significance of the area, while also encouraging programs, activities and investments that will draw visitors and residents downtown.

### Goals

Fargo's Renaissance Zone program goals and those of the State of North Dakota both focus on the need for renewal, investment and redevelopment. The Renaissance Zone Advisory Committee tried to determine what it would take to encourage the type of downtown revitalization that is in keeping with these ideas and with the tenets of the vision statement. The following list of goals helps to define the direction that should be followed as the RZA reviews and approves Renaissance Zone projects.

Above all else, putting vitality back in the downtown means getting people to go there and to use it. It is imperative that we work together to make the downtown Renaissance Zone a place people not only need to go, but a place people want to go.

**Activity Generators.** Develop activity-generating enterprises along the Renaissance Zone's major commercial corridors: Broadway/Roberts Street and NP/1<sup>st</sup> Avenues.

**Walkable Districts.** Create "walkable districts" (10 minute walk from one end to the other) that integrate a wide range of activities and land uses, including cultural attractions; thus encouraging on-street activity and interaction while discouraging unnecessary auto traffic, parking problems, and congestion.

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

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<sup>4</sup> The terms used to describe the planning process can sometimes be confusing, but the general idea underlying each of them is clear. A "Vision" is a forward-looking statement that describes a desired future -- "What do we want downtown Fargo to be in the future?" Goals state what it is we mean to do, although not yet in detail. They provide general direction and describe the issues that were identified in the vision (the desired future). Objectives are achievable, measurable steps taken to achieve one or more goals. They specify a single key result and explain concisely the "what", "when", "how much" and/or "how many".



**Neighborhood Center.** Make "Broadway" Fargo's "Main Street" – a pedestrian-friendly, mixed-use magnet that anchors downtown neighborhoods. It is a natural neighborhood center because it is a connection between the MeritCare and Island Park areas, as well as between the west side and riverfront districts.

**Transportation Issues.** Manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial development and will make the entire area more user-friendly.

**Safe Streets – Safe Neighborhoods.** Encourage safe streets and safe neighborhoods by relying on and utilizing the "natural surveillance" of lively and active streets.

- **User Needs.** Encourage projects that consider the needs of their users, in addition to the needs of downtown users in general.

**High Quality Housing.** Stimulate 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.

**Housing Amenities.** Integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones.

**Downtown Entryways.** Enhance auto entry experiences with landscaping improvements to all major corridors (Broadway/Roberts, 1<sup>st</sup>/NP Avenues, and Main Avenue) and gateway statements at Broadway/Main Avenue, Broadway/6<sup>th</sup> Avenue N, 1<sup>st</sup> Avenue/River, Main Avenue/River, and Main Avenue/10<sup>th</sup> Street.

**The Place to Be.** Make downtown the entertainment/cultural/recreational center of the city: "If you're looking for something to do - downtown is the place to be." Make downtown a key destination for visitors/conventioners and a key destination for residents.

**A Place Like No Other.** 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.

**Riverfront Open Space.** Provide additional riverfront parks and open spaces for downtown resident and visitor recreation and for riverfront image enhancement.

**Spruce up the area.** Encourage artists to use place-based artwork (i.e. river-themed or historic-themed murals) to spruce up buildings and the entire area in a way that brings a sense of community pride and excitement to downtown Fargo.

**Riverfront as an Asset.** Recognize and utilize the riverfront as one of the city's greatest assets while respecting its role as a powerful and active river. Make the downtown riverfront a source of pride and enjoyment for local residents.

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

**Connections and Coordination.** Coordinate public and private efforts to ensure that projects enhance, rather than detract from the connectivity of the area. Strong connections between people, places and things to do are vital to creating a strong sense of community.

**Please complete the following that apply:**

**A.** Is the proposed use of the project 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 #8** will contribute to a number of goals and objectives as outlined in the RZ Plan as follows:

1. *Activity Generator [goal]:* Will the project develop activity-generating enterprises along major commercial corridors of the Renaissance Zone? If true, how?  
The proposed project will create additional activity along 4<sup>th</sup> St and 4<sup>th</sup> Ave in downtown Fargo.  
This project coupled with the new Fargo City Hall and City Centre Lofts will create a significant amount of activity between Broadway and the Red River.  
The project is located within 2-3 blocks of the two main corridors(Broadway & NP). The building will be open and serving the public 7 days a week- mornings, afternoons and evenings.
2. *Walkable Districts [goal]:* Will the project create “walkable districts” that integrate a wide range of activities and land uses that encouraging on-street activity? If true, how?  
The project will increase the ‘livability’ and ‘walkability’ of downtown by bringing services that are needed to an area that is losing these types of businesses to the rapid development of other areas of the city. Helping enhance downtown as more that the place to be for entertainment, but also a fully realized walkable community. A place where people can walk to attain full body, whole health wellness as well as shop, dine and live.
3. *Ground Floor Uses [goal]:* Will the project reserve ground floor land uses to those that will encourage streets to come to life – shops, offices, cafes, restaurants and other “public” facilities? If true, how?  
The parking lot in the back of the building could serve as an outdoor meeting area for community-wide cultural and social justice gatherings.
4. *Neighborhood Center [goal]:* Will the project make “Broadway” Fargo’s “Main Street” – a pedestrian-friendly, mixed-use magnet that anchors downtown neighborhoods? If true, how?  
The project will not have a direct impact on Broadway but will continue to revitalize the surrounding artery streets that feed into Broadway and improve the overall sense of community. The project will be pedestrian friendly and be a long term anchor to downtown.
5. *Urban Design [goal]:* Will the project the projects 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? If true, how?  
The project is currently in the preliminary design phases but the applicant intends to maintain much of the design elements to maintain the historic feel along with eliminating any deteriorating exterior conditions. The project will respect the past design elements with modern updates.
6. *Transportation [goal]:* Will the project manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial developments and make the entire area more user-friendly. If true, how?  
Due to off street parking availability allowing access to these resources there will be minimal impact on downtown transportation issues.

7. *Safe Streets – Safe Neighborhoods [goal]:* Will the project encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets? If true, how?  
The applicant will focus on creating a safe area for their clients, customer and employees. .  
The location of the project is near the local police station and near the new city hall. The project will also create lively pedestrian traffic due to offering yoga classes throughout the evening and on weekends
8. *High Quality Housing [goal]:* Will the project 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? If true, how?  
Proposed project will not include any residential housing.
9. *Infill [goal]:* Will the project 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.) If true, how?  
The proposed project will not have an impact on infill but will rather improve the pedestrian activity and revitalized an underutilized property in downtown Fargo.
10. *Housing Amenities [goal]:* Will the project integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones? If true, how?  
Project is not providing housing.
11. *Downtown Entryways [goal]:* Will the project 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? If true, how?  
The project will improve the landscape of the property but is not located at any of the major corridors.
12. *The Place to Be [goal]:* Will the project make downtown the entertainment/cultural/recreational center of the city, a key destination for visitors/conventioners, and a key destination for residents? If true, how?  
The continued revitalization of properties in downtown Fargo contribute to making it a destination and “The Place to Be”.  
Ecce Yoga will serve the downtown community (as well as the surrounding area and visitors) by creating and maintaining health and wellness through yoga/meditation/dance classes as well as by hosting community-wide cultural and social justice gatherings.
13. *A Place Like No Other [goal]:* Will the project 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? If true, how?  
The ‘Chamber’ building will be brought back to its aesthetic & architectural glory, respecting the original historic design, updating it for modern use as well as improving the exterior landscaping design and maintenance.
14. *24 Hours a day – 7 Days per Week – 365 Days a Year [goal]:* Will the project 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? If true, how?  
Ecce Yoga will have varying hours of operation which will include evenings and weekends.

15. *Connections and Coordination [goal]:* Will the project create strong connections between people, places, and things to do that are vital to creating a strong sense of community? If true, how?

**Ecce Yoga will have significant involvement in the community**

**which will create strong connections between people and businesses in downtown Fargo.**

**B.** Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan? [note that for mixed-use projects the total square footage should be dissected into commercial and residential totals for comparison to minimum investment thresholds]:

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

1. The structure accommodates 5,781 square feet, as follows:

a. Lot Size: 15,000 SF

b. Proposed Building Total: 5,781 SF

c. Overall, the application estimates a total **capital investment** (cost incurred for the repair, replacement or renovation of a building's: exterior, roof, structure, electrical and/or plumbing systems, heating/ventilation/air conditioning systems, windows, exterior doors, elevator improvements and accessibility. The square footage used to calculate required investment levels will be based on the square footage of the entire building excluding the basement) of **\$669,602.50**, which calculates to approximately **\$115.83** per square foot.

## Attachment C – Project Review Guidelines

Each potential Renaissance Zone project (as defined by the previously described minimum criteria) will be evaluated by the locally designated Zone Authority and rated according to a number of factors. The designated review committee will have discretion to recommend that the City Commission award incentives up to a certain level, within the defined guidelines.

Note that compliance with each of the guidelines, as defined below, is not necessary for project approval; the guidelines are simply factors that can be used to evaluate the varied range of projects that are likely to come before the Zone Authority.

1. **High Priority Land Use.** Redevelopment or Reinvestment to a high priority land use
  - a. Primary sector business
  - b. Active Commercial, Specialty Retail and/or Destination Commercial
  - c. Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)
  - d. Large, upscale residential units
  - e. Note: Creation of storage, warehousing, adult entertainment facilities or single room apartments is not consistent with the goals outlined in the Renaissance Zone Plan
2. **Targeted Areas.** Redevelopment or Reinvestment in a targeted area
  - a. Parcels that have been vacant or underutilized for an extended period of time
  - b. Parcels specifically targeted for clearance
  - c. Note: Property owned by the railroad will not be eligible to receive incentives unless ownership is transferred from the railroad to a private party
3. **Public Space.** Redevelopment or Reinvestment to create civic space or to strengthen pedestrian corridors
  - a. Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration
  - b. Demonstrated commitment to strengthening pedestrian corridors and issues of "connection"
  - c. Attention to streetscape amenities
4. **Investment.** Amount of actual capital investment in the project
  - a. 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)
5. **Relocation.** Movement of commercial businesses
  - a. Commercial tenants that are relocating within the Downtown Area are not eligible for tax incentives without special approval from the RZA.
  - b. Commercial tenants that are relocated from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the RZA.

**Please complete the following that apply:**

**A.** The proposed development or lease are representative of “High Priority Land Uses” as defined by this RZ Plan (see pg. 29).

1. Is this a Primary Sector Business? If true, how?

No

2. Is this an Active Commercial, Specialty Retail or Destination? If true, how?

The project will contain two active commercial tenants. A dental practice and a yoga studio.

3. Is this a Mixed-Use Development? If true, how?

No

4. Does this development include large, upscale residential units? If true, how?

No

**B.** Target Area Considerations: consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance.

1) Is this parcels vacant or underutilized for an extended period of time? If true, how?

The property is currently under a short term lease with the City of Fargo until the new city hall is completed. The current owner of the property plans to divest the property from their real estate portfolio. Sale and revitalization of the property would fully utilize the parcel of land.

2) Is this a parcel specifically targeted for clearance in the Renaissance Zone Plan?

Yes

**C.** Will the project create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or contribute to street level activation?

Ecce Yoga will serve the downtown community (as well as the surrounding area and visitors) by creating and maintaining health and wellness through yoga/meditation/dance classes as well as by hosting community-wide cultural and social justice gatherings.

**D.** Will the proposed project meet investment minimum criteria? How?

Yes, project is expected to exceed the minimum investment criteria by having capital expenditures of approximately \$115 per square foot which is nearly 3 times the required amount.

**E.** Will the proposed project accommodate the relocation of a business from another North Dakota community? If true, how?

No, Riverview Family Dental is a Fargo based business and will be moving from a leased space south of Main Ave in Fargo to the proposed location.

**F.** 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? If true, how?

Unknown – The project will maintain the original historic design.

## **Attachment D – Certificate of Good Standing**

(<http://www.nd.gov/tax/genforms/rzrequestingcertificategoodstanding.pdf?2013031410113>)



PLANNING AND DEVELOPMENT  
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Fargo, North Dakota 58102  
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Fax: (701) 241-1526  
E-Mail: [planning@FargoND.gov](mailto:planning@FargoND.gov)  
[www.FargoND.gov](http://www.FargoND.gov)

## **MEMORANDUM**

**TO:** Fargo City Commission

**FROM:** Barrett Voigt, Assistant Planner

**DATE:** June 28, 2018

**RE:** Renaissance Zone Application from DFI BA LLC (270-F) located at 109 & 111 Broadway North

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The City received a Renaissance Zone (RZ) application from DFI BA LLC to rehabilitate the existing building at 109 & 111 Broadway North.

The application proposes interior renovations to the existing Hancock commercial building. The building is three (3) levels with a basement that occupy 24,357 square feet. The rehabilitation would renovate and update the building with significant capital costs relating to structural alterations, floors, and a replacement of HVAC and electrical systems to provide additional office space on the 2nd and 3rd floors and create retail space in the basement with access from the alley. Construction would tentatively begin in the summer of 2018 and the goal of completion would be in the fall of 2018.

Please find a copy of the staff report and corresponding materials attached with this memo.

As indicated in the attached documents, the project met all state and local requirements for approval. The project is consistent with a number of goals and objectives established in the Fargo Renaissance Zone Development Plan and proposes an investment of \$1,179,000, which exceeds the minimum investment threshold required.

The request was reviewed and unanimously recommended by the Renaissance Zone Authority (RZA) on June 28, 2018.

Recommended Action: Approve the Renaissance Zone rehabilitation application from DFI BA LLC and grant property tax exemptions as recommended by the Renaissance Zone Authority.





**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: N/A~~

**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.**

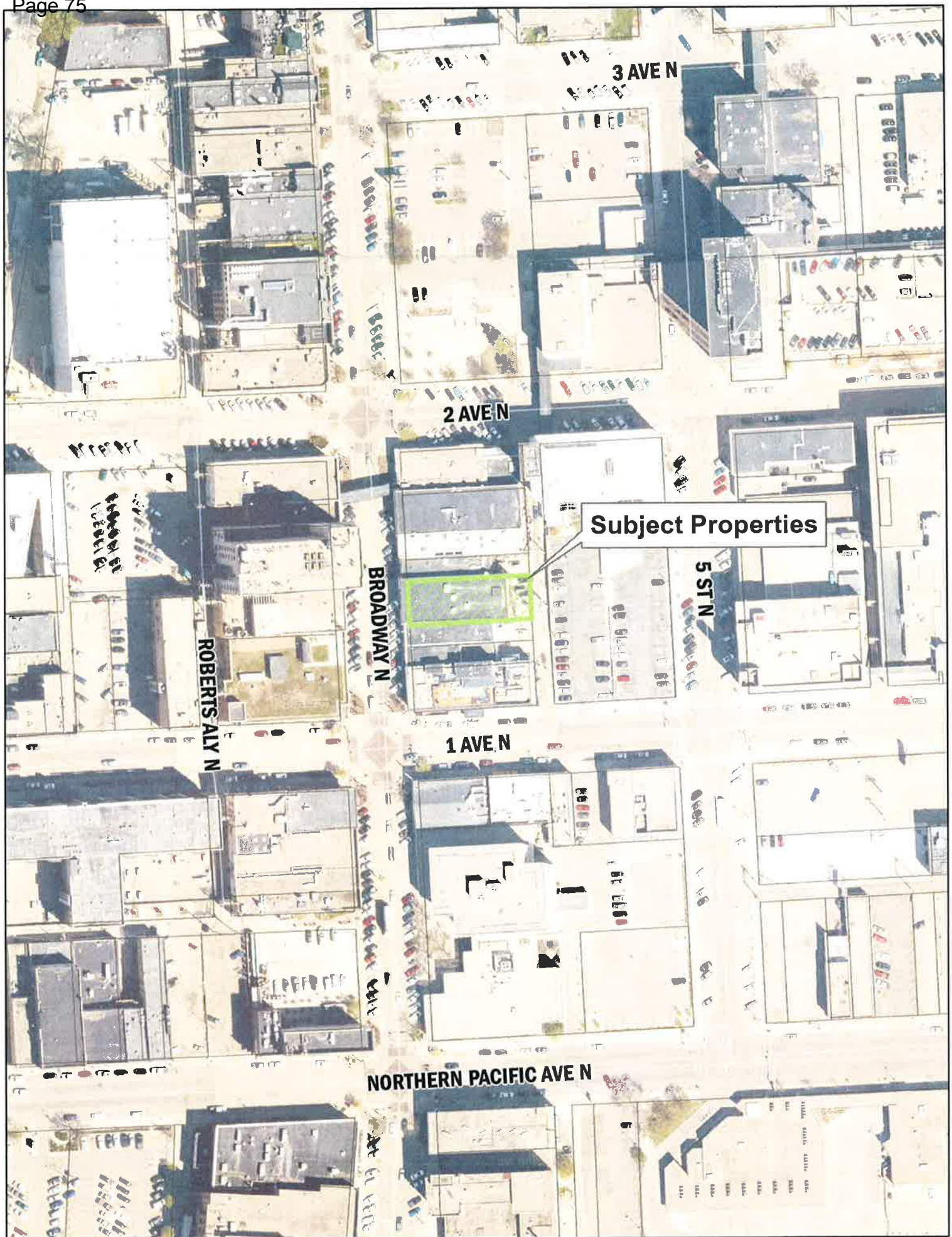
**This project will make use of a structure that is currently underutilized. Staff believes that this project will be a benefit to the downtown community and will positively contribute to the health of surrounding businesses.**

**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 ( <del>Proposals</del> 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"> <li>Primary sector business</li> <li>Active Commercial, Specialty Retail and/or Destination Commercial</li> <li>Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)</li> <li>Large, upscale residential units</li> </ul>	10	9
10	The investment is located in a 'Target Area' as defined by the RZ Plan: <ul style="list-style-type: none"> <li>Parcels that have been vacant or underutilized for an extended period of time</li> <li>Parcels specifically targeted for clearance</li> </ul>	10	10
11	The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation: <ul style="list-style-type: none"> <li>Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration</li> <li>Demonstrated commitment to strengthening pedestrian corridors and issues of "connection"</li> <li>Attention to streetscape amenities</li> <li>Contribution to street activity</li> </ul>	10	9
12	Consideration and analysis as to the total actual investment in the project: <ul style="list-style-type: none"> <li>Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment)</li> </ul>	10	10
13	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: <ul style="list-style-type: none"> <li>Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority</li> <li>Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority.</li> </ul>	10	10
14	Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective? <ul style="list-style-type: none"> <li>Although not included in the Project Review Guidelines, historic preservation is considered an important component of downtown projects even when Historic Preservation and Renovation Tax Credits are not being requested.</li> </ul>	10	8
<b>Total Rating (100 possible points)</b>		<b>100</b>	<b>96</b>





**CITY OF FARGO**  
**RENAISSANCE ZONE PROJECT APPLICATION**  

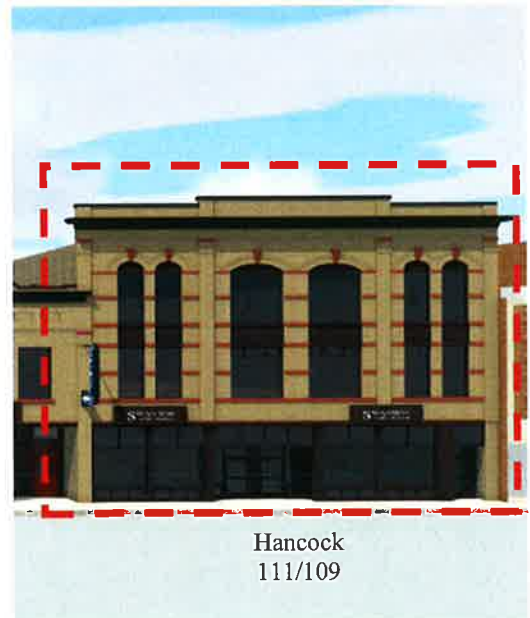
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**REHABILITATION OR PURCHASE (Renovation)**

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***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 1<sup>st</sup>  
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  
1<sup>st</sup> –6170  
2<sup>nd</sup> –6020  
3<sup>rd</sup> – 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 2<sup>nd</sup> and 4<sup>th</sup> 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):

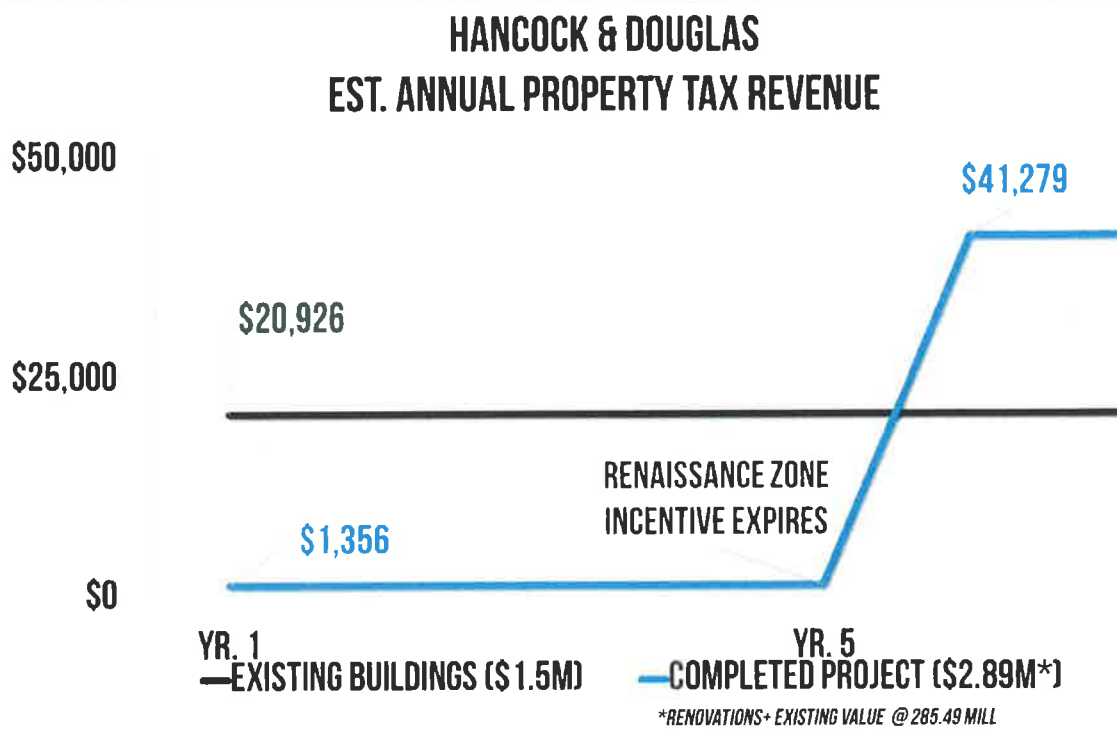
- 109/111 Broadway = \$15,304.56

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



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	\$ 1,179,805

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



PLANNING AND DEVELOPMENT  
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[www.FargoND.gov](http://www.FargoND.gov)

## MEMORANDUM

**TO:** Fargo City Commission

**FROM:** Barrett Voigt, Assistant Planner

**DATE:** June 28, 2018

**RE:** Renaissance Zone Application from North 500 Block, LLC (273-F)  
located at 502 & 506 Broadway North

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The City received a Renaissance Zone (RZ) application from North 500 Block, LLC to rehabilitate the existing building at 502 & 506 Broadway North.

The application proposes 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. Construction would tentatively begin in the summer of 2018 and the goal of completion would be in the winter of 2018.

The City Commission previously approved a Renaissance Zone property tax exemption for 508 ½ Broadway North 254-F (2nd floor of Idelkope Building) on January 3rd. That application has since been abandoned and replaced with the current application proposal.

Please find a copy of the staff report and corresponding materials attached with this memo.

As indicated in the attached documents, the project met all state and local requirements for approval. The project is consistent with a number of goals and objectives established in the Fargo Renaissance Zone Development Plan and proposes an investment of \$700,050, which exceeds the minimum investment threshold required.

The request was reviewed and unanimously recommended by the Renaissance Zone Authority (RZA) on June 28, 2018.

Recommended Action: Approve the Renaissance Zone rehabilitation application from North 500 Block, LLC and grant property tax exemptions as recommended by the Renaissance Zone Authority.



**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: N/A~~

**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.**

<b>Renaissance Zone Scorecard</b> <b>Minimum Criteria (Rehabilitation Project)</b>			
		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)	NA	NA
7	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	NA	NA
8	Tenant must be leasing space in a building that has been approved as a Zone project	NA	NA
<b>Project Review Guidelines</b>			
9	The new construction or proposed improvements are representative of "High Priority Land Uses" as defined in the RZ Plan: <ul style="list-style-type: none"> <li>• Primary sector business</li> <li>• Active Commercial, Specialty Retail and/or Destination Commercial</li> <li>• Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)</li> <li>• Large, upscale residential units</li> </ul>	10	6
10	The investment is located in a 'Target Area' as defined by the RZ Plan: <ul style="list-style-type: none"> <li>• Parcels that have been vacant or underutilized for an extended period of time</li> <li>• Parcels specifically targeted for clearance</li> </ul>	10	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"> <li>• Incorporation of "civic" or "public" space within a redevelopment proposal will receive additional consideration</li> <li>• Demonstrated commitment to strengthening pedestrian corridors and issues of "connection"</li> <li>• Attention to streetscape amenities</li> <li>• Contribution to street activity</li> </ul>	10	10
12	Consideration and analysis as to the total actual investment in the project: <ul style="list-style-type: none"> <li>• Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment)</li> </ul>	10	10
13	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: <ul style="list-style-type: none"> <li>• Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority</li> <li>• Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority.</li> </ul>	10	10
14	Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective? <ul style="list-style-type: none"> <li>• Although not included in the Project Review Guidelines, historic preservation is considered an important component of downtown projects even when Historic Preservation and Renovation Tax Credits are not being requested.</li> </ul>	10	10
<b>Total Rating (100 possible points)</b>		<b>100</b>	<b>91</b>



## 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.

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

<b>Location of property involved in the application decision</b> 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 &amp; 7, of Kirkham's Subdivision of Block E of Chapin, Johnson and Barrett's Addition</u>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------


  

<b>Application Type</b> (Please place "X" next to corresponding application type requested) New Construction _____ Rehabilitation <u>X</u> Residential Purchase _____ Lease _____
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

<b>Acknowledgement</b> – 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: _____

<b>Office Use Only</b>	
Date Filed: _____	Planning Office Contact: _____



**CITY OF FARGO**  
**RENAISSANCE ZONE PROJECT APPLICATION**

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**REHABILITATION OR PURCHASE (NEW CONSTRUCTION)**

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***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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 calendar 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

A handwritten signature in dark ink, appearing to read "SA Ridley", is written over a horizontal line.

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
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**  
7101 Northland Circle  
Suite 202  
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 cursive script, reading "Alvin Jaeger".

Alvin Jaeger  
Secretary of State





3301

<b>City of Fargo Staff Report</b>			
<b>Title:</b>	Urban Plains by Brandt 1st Addition, Urban Plains by Brandt 2nd Addition, Urban Plains Center Addition, Urban Plains Medical Park Addition, Urban Plains Retail Addition, Urban Plains Center Addition, Urban Plains Northeast Retail Addition, Urban Plains Northeast Retail 2nd Addition, Urban Plains Northeast Retail Third Addition, and Urban Plains by Brandt Third Addition.	<b>Date: Update:</b>	5/31/18 6/28/2018
<b>Location:</b>	4680, 5100, and 5101 28th Avenue South; 4651 and 4845 30th Avenue South; 5298 31st Avenue South; 4543 and 4737 32nd Avenue South; 2911 45th Street South; 2640, 2660, 2720, 2740, 2760, and 2780 47th Street South; 3180 49th Street South; 3023, 3057, 3079, and 2701 51st Street South; 2633 and 2867 55th Street South; 2907, 2915, 2949, 2975, 3037, and 3151 Seter Parkway South; 3050 and 3155 Brandt Drive South; and 4574 Urban Plains Drive South.	<b>Staff Contact:</b>	Maegin Elshaug
<b>Legal Description:</b>	<p>Lots 2-4, Block 5, and Lots 3-4, Block 8, <b>Urban Plains by Brandt 1st Addition</b>; Lots 2-3, Block 1, Lot 2, Block 2, , Lots 2-3, Block 5, and part of Lot 1, Block 5, <b>Urban Plains by Brandt 2nd Addition</b>; Lots 5-6, Block 1, <b>Urban Plains Medical Park Addition</b>; Lots 7-9 and part of Lot 10, Block 1, <b>Urban Plains Retail Addition</b>; Lots 1-3, Block 3 and Lot 1, Block 4, <b>Urban Plains Center Addition</b>; Lots 2-3, Block 1, <b>Urban Plains Northeast Retail 2nd Addition</b>; Lots 1-2, Block 1, <b>Urban Plains Northeast Retail Third Addition</b>; and Lots 1-5, Block 1, Lot 1, Block 2, <b>Urban Plains by Brandt Third Addition</b>.</p> <p><b><u>Update 6/28/2018: Legal descriptions have be updated due to minor corrections and recent subdivision replats during the review process of this application.</u></b></p>		
<b>Owner(s)/Applicant:</b>	Urban Plains Land Co, LLC (Ace Brandt)/Houston Engineering, Inc. (Brian Pattengale)	<b>Engineer:</b>	Houston Engineering, Inc.
<b>Entitlements Requested:</b>	<b>Zoning Change</b> (to repeal and reestablish a C-O, Conditional Overlay)		
<b>Status:</b>	City Commission Public Hearing: July 3, 2018		

<b>Existing</b>	<b>Proposed</b>
<b>Land Use:</b> Vacant	<b>Land Use:</b> unchanged
<b>Zoning:</b> GC, General Commercial, LC, Limited Commercial, MR-3, Multi-Dwelling Residential, P/I, Public and Institutional, with a C-O, Conditional Overlay	<b>Zoning:</b> GC, General Commercial, LC, Limited Commercial, MR-3, Multi-Dwelling Residential, P/I, Public and Institutional, with a modified C-O, Conditional Overlay

<p><b>Uses Allowed:</b> <u>GC</u> allows colleges, community service, daycare centers of unlimited size, <del>detention facilities</del>, health care facilities, parks and open space, religious institutions, safety services, <del>adult entertainment centers</del>, offices, off-premise advertising, commercial parking, outdoor recreation and entertainment, retail sales and service, <del>self storage</del>, <del>vehicle repair</del>, <del>limited vehicle service</del>, <del>warehouse and freight movement</del>, <del>wholesale sales</del>, aviation, surface transportation, and major entertainment events;</p> <p><u>LC</u> allows colleges, community service, daycare centers of unlimited size, health care facilities, parks and open space, religious institutions, safety services, offices, off premise advertising signs, commercial parking, retail sales and service, <del>self service storage</del>, <del>vehicle repair</del>, <del>limited vehicle service</del>;</p> <p><u>MR-3</u> allows detached houses, attached houses, duplexes, multi-dwelling structures, daycare centers up to 12 children, group living, parks and open space, religious institutions, safety services, schools, and basic utilities.</p> <p><u>P/I</u> allows colleges, community service, daycare centers of unlimited size, detention facilities, health care facilities, parks and open space, religious institutions, safety services, schools, offices, commercial parking, outdoor recreation and entertainment, <del>industrial service</del>, <del>manufacturing and production</del>, <del>warehouse and freight movement</del>, <del>waste related use</del>, agriculture, aviation, surface transportation, and major entertainment events.</p>	<p><b>Uses Allowed:</b> unchanged</p>
<p><b>Maximum Coverage and Density Allowed:</b> Maximum building coverage: GC 85%; LC 55%; MR-3 35%; P/I N/A Density GC, LC, P/I N/A; MR-3 24 units per acre</p>	<p><b>Maximum Coverage and Density Allowed:</b> unchanged</p>

**Proposal:**

The applicant is proposing a zoning map amendment in order to repeal the existing C-O, Conditional Overlay (Ordinance 5103) and reestablish a new C-O, Conditional Overlay on the subject property. The proposed C-O would effectively result in a handful of modifications to the existing C-O, which is attached. It is staff's understanding that the modifications to the Conditional Overlay proposed by the applicant are intended to allow greater flexibility of design for the future development of vacant properties within Urban Plains. Proposed modifications are to building form and style with recesses and projections, façade features, building materials, and pedestrian connectivity. The proposed C-O would effectively result in the following modifications:

*Part A (mixed-use and non-residential development):*

*2) Building Form and Style*

*2.2 All building elevations/façades greater than 150 feet in length, measured horizontally from vertical edge to vertical edge, shall incorporate wall plane projections or recesses. Each projection and/or recess shall have a depth of at least ~~five~~ **two** feet, and the cumulative total horizontal width of all projections and/or recesses within a façade shall equate to at least an accumulated total of 20 percent of the overall horizontal length of the façade. No uninterrupted length of any façade shall exceed 150 horizontal feet.*



2.3 Ground floor façades of non-residential buildings that face public right-of-way shall have arcades, display windows, entry areas, awnings, or other such features along no less than ~~60~~ 50 percent of its horizontal length.

Part A (mixed-use and non-residential development) and Part B (residential development):

2) Building Form and Style:

2.4 Principal Materials – Unless otherwise deemed acceptable by the Zoning Administrator, all exterior walls shall be constructed or clad with natural stone, synthetic stone, brick, stucco, integrally-colored and textured concrete masonry units or systems, exterior insulation finishing systems (EIFS), fiber cement, curtain walls, rainscreen systems or glass. All materials shall be commercial grade, durable, and have a multi-generational life span.

2.5 Accent Materials – In conjunction with the principal materials listed above, the following accent materials may also be used to construct or clad exterior walls: finished wood, architectural metal panels, and vinyl. Accent materials shall be applied to no greater than ~~10-20~~ percent of each building façade.

3) Site Design

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

- i. Parking lots or parking structures
- ii. Any public sidewalk or multi-use path along the perimeter of the lot
- iii. Entrances of other buildings on the site
- iv. Any public sidewalk system along the perimeter streets adjacent to the development
- v. Adjacent pedestrian origins and destinations—including but not limited to transit stops, residential development, office buildings, and retail shopping buildings— where deemed practical and appropriate by the Zoning Administrator

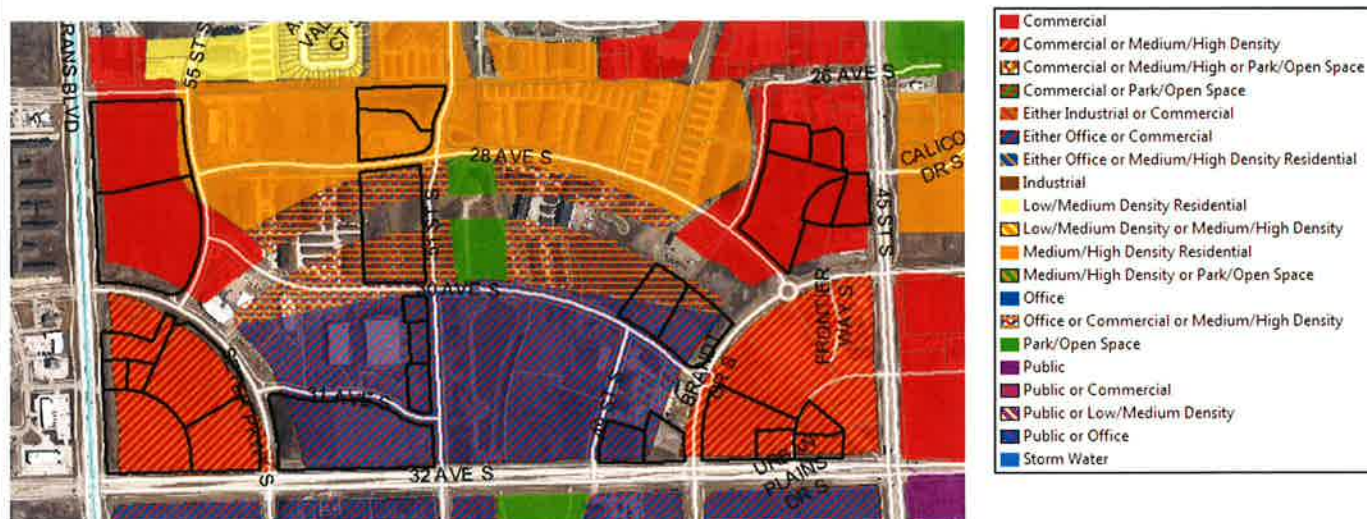
Background:

In 2003, Ordinance 4320 established a Conditional Overlay zoning district over 640 acres of land in southwest Fargo, including all of Urban Plains. This Conditional Overlay was proposed and applied for by the land owner, Ace Brandt, in order to establish architectural and design standards that would align with his vision for development within Urban Plains. Since then, there have been approximately ten zoning ordinances resulting in amendments to Conditional Overlays on various properties within the Urban Plains development. In 2015, Ordinance 4978 consolidated and simplified the patchwork of modified Conditional Overlay zoning districts within Urban Plains into one unified Conditional Overlay for all of Urban Plains. In 2015, Ordinance 4999 resulted in a modification to the unified Conditional Overlay for the Scheels Arena property, in order to accommodate the design and construction of a second sheet of ice at the arena. In addition, in July 2017, Ordinance 5103 resulted in modifications to a handful of design standards, which include all the properties in the current application. Ordinances 4978 and 5103 still apply to nearly all properties within the Urban Plains development, except for the Scheels Arena property and PTP Addition, which are Ordinances 4999 and 5138, respectively.

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

### Area Plans:

The subject property is located within the bounds of the 2003 Southwest Future Land Use Plan. The property is designated as most suitable for "Commercial," "Commercial or Medium/High Density," "Either Office or Commercial," "Medium/High Density Residential," and "Office or Commercial or Medium/High Density" land use.



### Schools and Parks:

**Schools:** The subject property is located within the West Fargo School District and is served by Freedom Elementary, Liberty Middle and Sheyenne High schools.

**Parks:** Urban Plains Park (5050 30th Avenue S) is located along 51<sup>st</sup> Street South at a central location amongst the subject properties. Urban Plains Park provides amenities trails, playgrounds and shelters.

**Pedestrian / Bicycle:** Off-road bike facilities are located in near proximity to several of the subject properties. Off-road bike facilities are located along Veterans Boulevard, Seter Parkway South, Urban Plains Park, Brandt Drive South, 28<sup>th</sup> Avenue South, 30<sup>th</sup> Avenue South, 31<sup>st</sup> Avenue South, 32<sup>nd</sup> Avenue South, 45 Street South, and 51<sup>st</sup> Street South. All off-road facilities are a component of the metro area trail system.

### Staff Analysis:

#### Zoning

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

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

Staff is unaware of any zoning map error in regards to the subject property. The requested zoning change is justified by a change in conditions since the previous zoning classification was established, as the applicant would like to allow greater flexibility in design for the undeveloped areas of Urban Plains. Additionally, the change includes a newer architectural building material, rainscreen systems, which were not widely used in this area previously. **(Criteria Satisfied)**

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

City staff and other applicable review agencies have reviewed this proposal. Staff finds no deficiencies in the ability to provide all of the necessary services to the site. The subject property fronts on existing public rights-of-way which allow access and public utilities to serve the development. **(Criteria satisfied)**

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

Staff has no documentation or supporting evidence to suggest that the approval of this zoning change would adversely affect the condition or value of the property in the vicinity. In accordance with the notification requirements of the Land Development Code, notice was provided to neighboring property owners. To date, staff has received four inquiries into the application and no comments from the public relating to the specifics of this application. However, one citizen expressed concern with the number of apartments being constructed within Urban Plains in general. Staff finds that the approval of the zoning change will not adversely affect the condition or value of the property in the vicinity. **(Criteria satisfied)**

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

The purpose of the LDC is to implement Fargo's Comprehensive Plan and related policies in a manner that protects the health, safety, and general welfare of the citizens of Fargo. Staff finds that the proposal does not conflict with the purposes of the LDC, the Growth Plan, and other adopted policies of the City. **(Criteria Satisfied)**

#### **Staff Recommendation:**

Suggested Motion: "To accept the findings and recommendations of the Planning Commission and staff and hereby waive the requirement to receive the Ordinance of the proposed zoning change to repeal and re-establish a C-O, Conditional Overlay on: Lots 2-4, Block 5, and Lots 3-4, Block 8, **Urban Plains by Brandt 1st Addition**; Lots 2-3, Block 1, Lot 2, Block 2, , Lots 2-3, Block 5, and part of Lot 1, Block 5, **Urban Plains by Brandt 2nd Addition**; Lots 5-6, Block 1, **Urban Plains Medical Park Addition**; Lots 7-9 and part of Lot 10, Block 1, **Urban Plains Retail Addition**; Lots 1-3, Block 3 and Lot 1, Block 4, **Urban Plains Center Addition**; Lots 2-3, Block 1, **Urban Plains Northeast Retail 2nd Addition**; Lots 1-2, Block 1, **Urban Plains Northeast Retail Third Addition**; and Lots 1-5, Block 1, Lot 1, Block 2, **Urban Plains by Brandt Third Addition**. on the basis that it satisfactorily complies with the Go2030 Fargo Comprehensive Plan, Standards of Section 20-0906.F (1-4) and all other applicable requirements of the LDC."

#### **Planning Commission Recommendation: June 5, 2018**

On June 5, 2018, with an 8-0 vote, the Planning Commission accepted the findings and recommendations of staff and recommended approval to the City Commission of the proposed zoning change to repeal and re-establish a C-O, Conditional Overlay on: Lot 1, Block 4, Lots 2-4, Block 5, and Lots 3-4, Block 8, **Urban Plains by Brandt 1st Addition**; Lots 2-3, Block 1, Lot 2, Block 2, Lot 1, Block 3, Lots 2-3, Block 5, and part of Lot 1, Block 5, **Urban Plains by Brandt 2nd Addition**; Lots 5-6, Block 1, **Urban Plains Medical Park Addition**; Lots 7-9 and part of Lot 10, Block 1, **Urban Plains Retail Addition**; Lots 1-3, Block 3 and Lot 1, Block 4, **Urban Plains Center Addition**; Parts of Lots 3 and 5, and all of Lot 4, Block 1, **Urban Plains Northeast Retail Addition**; and Lots 2-3, Block 1, **Urban Plains Northeast Retail 2nd Addition**, on the basis that it satisfactorily complies with the Go2030 Fargo Comprehensive Plan, Standards of Section 20-0906.F (1-4) and all other applicable requirements of the LDC.

#### **Attachments:**

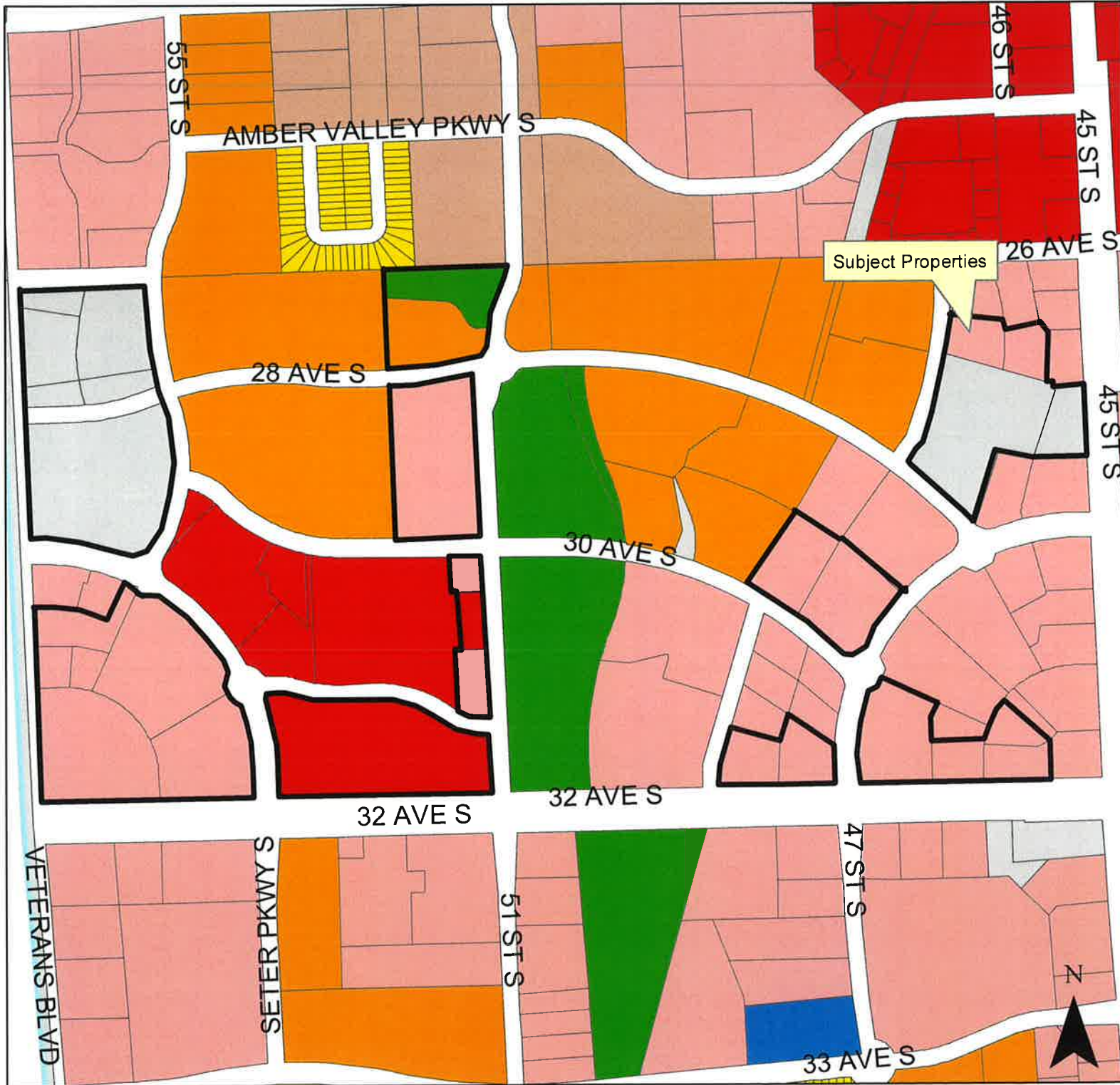
1. Zoning Map
2. Location Map



# Zone Change (Repeal and Re-establish C-O)

4680, 5100, and 5101 28th Avenue South; 4651 and 4845 30th Avenue South; 5298 31st Avenue South; 4543 and 4737 32nd Avenue South; 2911 45th Street South; 2640, 2660, 2720, 2740, 2760, and 2780 47th Street South; 3180 49th Street South; 3023, 3057, 3079, and 2701 51st Street South; 2633 and 2867 55th Street South; 2907, 2915, 2949, 2975, 3037, and 3151 Seter Parkway South; 3050 and 3155 Brandt Drive South; and 4574 Urban Plains Drive South

## Urban Plains Addition



### Legend



300  
Feet



# Zone Change (Repeal and Re-establish C-O)

4680, 5100, and 5101 28th Avenue South; 4651 and 4845 30th Avenue South; 5298 31st Avenue South; 4543 and 4737 32nd Avenue South; 2911 45th Street South; 2640, 2660, 2720, 2740, 2760, and 2780 47th Street South; 3180 49th Street South; 3023, 3057, 3079, and 2701 51st Street South; 2633 and 2867 55th Street South; 2907, 2915, 2949, 2975, 3037, and 3151 Seter Parkway South; 3050 and 3155 Brandt Drive South; and 4574 Urban Plains Drive South

## Urban Plains Addition





OFFICE OF THE CITY ATTORNEY  
FARGO, NORTH DAKOTA

33d2

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE REPEALING AND RE-ENACTING A CONDITIONAL  
OVERLAY DISTRICT ON CERTAIN PARCELS OF LAND  
LYING IN URBAN PLAINS BY BRANDT 1<sup>ST</sup> ADDITION, URBAN PLAINS  
BY BRANDT 2<sup>ND</sup> ADDITION, URBAN PLAINS MEDICAL PARK  
ADDITION, URBAN PLAINS RETAIL ADDITION, URBAN PLAINS  
CENTER ADDITION, URBAN PLAINS NORTHEAST RETAIL ADDITION,  
AND URBAN PLAINS NORTHEAST RETAIL 2ND ADDITION,  
FARGO, CASS COUNTY, NORTH DAKOTA

WHEREAS, the Fargo Planning Commission and the Board of City Commissioners of the City of Fargo have held hearings pursuant to published notice to consider the rezoning of certain parcels of land lying in Urban Plains by Brandt 1<sup>st</sup> Addition, Urban Plains by Brandt 2<sup>nd</sup> Addition, Urban Plains Medical Park Addition, Urban Plains Retail Addition, Urban Plains Center Addition, Urban Plains Northeast Retail Addition, and Urban Plains Northeast Retail 2nd Addition, Fargo, Cass County, North Dakota; and,

WHEREAS, the Fargo Planning Commission recommended approval of the rezoning request on June 5, 2018; and,

WHEREAS, the rezoning changes were approved by the City Commission on July 2, 2018; and,

WHEREAS, it is intended by this ordinance that the base zoning districts applicable to the property described herein shall remain unchanged and that the intended effect hereof is to repeal one or more a "C-O", Conditional Overlay, District and to re-enact and re-establish a modified version of a "C-O", Conditional Overlay, District;

NOW, THEREFORE,

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

Section 1. The following described property:

Lots One (1) through Five (5), Block One (1) and Lot One (1), Block Two (2) of Urban Plains by Brandt 3<sup>rd</sup> Addition to the City of Fargo; AND, Lots Two (2) through Four (4), Block Five (5) and Lots Three (3) and Four (4), Block Eight (8) of Urban Plains by Brandt 1<sup>st</sup> Addition to the City of Fargo, Cass County, North Dakota,

is hereby rezoned to retain the base zoning district for said property and to repeal and re-enact the "C-O", Conditional Overlay, District such that the re-enacted "C-O", Conditional Overlay, District be, and hereby is, as set forth in Section 8 of this ordinance, below,

OFFICE OF THE CITY ATTORNEY  
FARGO, NORTH DAKOTA

ORDINANCE NO. \_\_\_\_\_

Section 2. The following described property:

Lots Two (2) and Three (3), Block One (1), Lot Two (2), Block Two (2), Lots Two (2) and Three (3), Block Five (5), and

Lot 1, Block 5 of Urban Plains by Brandt Second Addition, LESS the Parcels A and B, described more fully below:

PARCEL A: A parcel of land lying within the northerly 212.00 feet of Lot 1, Block 5 of URBAN PLAINS BY BRANDT SECOND ADDITION to the City of Fargo as files on record at the Office of the Recorder, Cass County, North Dakota, more particularly described as follows:

Commencing at the southwest corner of said Lot 1; thence North 02 degrees 28 minutes 56 seconds West, (Basis of Bearing is said Plat) along the west lien of said Lot 1, a distance of 400.09 feet to the northwest corner of said Lot 1; thence easterly along the north line of said Lot 1 and on a curve concave to the south, for a distance of 284.26 feet, said curve having a radius or 980.22 feet; an interior angle of 16 degrees 36 minute 56 seconds, and chord bearing South 84 degrees 13 minutes 59 seconds East to the POINT OF BEGINNING; thence continue easterly along said north line and on a curve concave to the south, for a distance of 160.16 feet, said curve having a radius of 980.22 feet; an interior angle of 09 degrees 21 minutes 42 seconds, and chord bearing South 71 degrees 14 minutes 39 seconds East; thence easterly along said north line and on a reverse curve concave to the north, for a distance of 4.85 feet, said curve having a radius of 5000.00 feet, an interior angle of 00 degrees 03 minutes 20 seconds, and chord bearing South 66 degrees 35 minutes 28 seconds East; thence South 23 degrees 43 minutes 13 seconds West, a distance of 212.00 feet to a point on a non-tangent curve; thence westerly 129.32 feet on said curve concave to the south, said curve having a radius of 768.22 feet; an interior angle of 09 degrees 38 minutes 43 seconds. And chord bearing North 71 degrees 06 minutes 09 seconds West; thence North 14 degrees 04 minutes 29 seconds East, a distance of 212.00 feet to the POINT OF BEGINNING. [Said parcel containing 31,200 square feet, more or less, and being described on that certain instrument recorded at the office of the Recorder, County of Cass and State of North Dakota as Document Number 1424729]; and,

PARCEL B: A parcel of land lying within the northerly 212.00 feet of Lot 1, Block 5, of URBAN PLAINS BY BRANDT SECOND ADDITION to the City of Fargo as filed and on record at the Office of the Recorder, Cass County, North Dakota, more particularly described as follows:

Commencing at the southwest corner of said Lot 1; thence North 02 degree 28 minutes 56 seconds West (Basis of Bearing is said Plat) along the west line of said Lot 1, a

OFFICE OF THE CITY ATTORNEY  
FARGO, NORTH DAKOTA

ORDINANCE NO. \_\_\_\_\_

distance of 400.09 feet to the northwest corner of said Lot 1 and the POINT OF BEGINNING; thence easterly along the north line of said Lot 1 and on a curve concave to the south, for a distance of 284.26 feet, said curve having a radius of 980.22 feet; an interior angle of 16 degrees 36 minutes 56 seconds, and chord bearing South 84 degrees 13 minutes 59 seconds East; thence South 14 degrees 04 minutes 29 seconds West, a distance of 212.00 feet to a point on a non-tangent curve; thence westerly 223.00 feet on said curve concave to the south, having a radius of 768.22 feet; an interior angle of 16 degrees 37 minutes 55 seconds, and chord bearing North 84 degrees 14 minutes 28 seconds West to a point on the west line of said Lot 1; thence North 02 degrees 28 minutes 56 seconds West, along said west line, a distance of 212.00 feet to the POINT OF BEGINNING. [Said parcel containing 53,770 square feet, more or less, and being described on that certain instrument recorded at the office of the Recorder, County of Cass and State of North Dakota as Document Number Document #1425726]

is hereby rezoned to retain the base zoning district for said property and to repeal and re-enact the "C-O", Conditional Overlay, District such that the re-enacted "C-O", Conditional Overlay, District be, and hereby is, as set forth in Section 8 of this ordinance, below:

Section 3. The following described property:

Lots Five (5) through Six (6), Block One (1) of Urban Plains Medical Park Addition to the City of Fargo, Cass County, North Dakota,

is hereby rezoned to retain the base zoning district for said property and to repeal and re-enact the "C-O", Conditional Overlay, District such that the re-enacted "C-O", Conditional Overlay, District be, and hereby is, as set forth in Section 8 of this ordinance, below,

Section 4. The following described property:

Lots Seven (7) through Nine (9), Block One (1), Urban Plains Retail Addition and that part of Lot Ten (10), Block One (1), Urban Plains Retail Addition described as follows:

Lot Ten (10) less part of Lot Ten (10), Block One (1) Described As: Beginning at the Northeast corner of Lot Nine (9); then South 88°49'52" West on Northerly line of said Lot Nine (9) for a distance of 259.75 feet to the Northwest corner of said Lot Nine (9); then North 01°10'08" West 115.92 feet; then North 24°41'21" E 74.92 feet to the Northerly line of said Lot Ten (10); then South 65°18'39" East on said Northerly line for a distance of 274.50 feet to the Northeast corner of said Lot Ten (10); then Southerly of the Easterly line of said Block One (1) along a circular curve concave to the West having a radius of 450 feet, a delta angle of 08°29'44" and an arc length of 66.72 feet to the point of beginning.

OFFICE OF THE CITY ATTORNEY  
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ORDINANCE NO. \_\_\_\_\_

is hereby rezoned to retain the base zoning district for said property and to repeal and re-enact the “C-O”, Conditional Overlay, District such that the re-enacted “C-O”, Conditional Overlay, District is as set forth in Section 8 of this ordinance, below,

Section 5. The following described property:

Lots One (1) through Three (3), Block Three (3) and Lot One (1), Block Four (4) of Urban Plains Center Addition to the City of Fargo, Cass County, North Dakota,

is hereby rezoned to retain the base zoning district for said property and to repeal and re-enact the “C-O”, Conditional Overlay, District such that the re-enacted “C-O”, Conditional Overlay, District be, and hereby is, as set forth in Section 8 of this ordinance, below,

Section 6. The following described property:

Lots One (1) and Two (2), Block One (1) of Urban Plains Northeast Retail 3<sup>rd</sup> Addition to the City of Fargo, Cass County, North Dakota,

is hereby rezoned to retain the base zoning district for said property and to repeal and re-enact the “C-O”, Conditional Overlay, District such that the re-enacted “C-O”, Conditional Overlay, District be, and hereby is, as set forth in Section 8 of this ordinance, below

Section 7. The following described property:

Lots Two (2) through Three (3), Block One (1) of Urban Plains Northeast Retail 2<sup>nd</sup> Addition to the City of Fargo, Cass County, North Dakota,

is hereby rezoned to retain the base zoning district for said property and to repeal and re-enact the “C-O”, Conditional Overlay, District such that the re-enacted “C-O”, Conditional Overlay, District be, and hereby is, as set forth in Section 8, below:

Section 8. The “C-O”, Conditional Overlay, District terms are as follows:

**Part A): The following requirements apply to all mixed-use and non-residential development:**

1) Description

This C-O, Conditional Overlay district is primarily intended to encourage high-Quality, durable, and long-lasting investments in order to enhance the quality of life and discourage blight. To that end, it is intended that all properties be designed to a human scale and that buildings should have architectural interest and variety

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FARGO, NORTH DAKOTA

ORDINANCE NO. \_\_\_\_\_

through the use of articulated façades. In order to avoid the effect of a single, long, or massive wall with no relation to human scale, it is intended that articulated façades should include elements such as setbacks, change in materials, roof pitch or height variability.

2) Building form and style

2.1 Entrances and pedestrian walkway features leading to entrances shall be provided from both the parking areas and the street right-of-way.

2.2 All building elevations/façades greater than 150 feet in length, measured horizontally from vertical edge to vertical edge, shall incorporate wall plane projections or recesses. Each projection and/or recess shall have a depth of at least two feet, and the cumulative total horizontal width of all projections and/or recesses within a façade shall equate to at least an accumulated total of 20 percent of the overall horizontal length of the façade. No uninterrupted length of any façade shall exceed 150 horizontal feet.

2.3 Ground floor façades of non-residential buildings that face public right-of-way shall have arcades, display windows, entry areas, awnings, or other such features along no less than 50 percent of its horizontal length.

2.4 All buildings, regardless of size, shall have clearly-defined, highly-visible, public entrances that connect to public spaces, streets, pedestrian paths and plazas with no fewer than two of the following:

- i. Canopies, awnings or porticos
- ii. Recesses/projections varying the façade
- iii. Raised corniced parapets over the door
- iv. Peaked roof forms
- v. Arches or arcades
- vi. Entry courts
- vii. Raised landscape planters and/or wing walls integrated with the building

2.4 Principle Materials – Unless otherwise deemed acceptable by the Zoning Administrator, all exterior walls shall be constructed or clad with natural stone, synthetic stone, brick, stucco, integrally-colored and textured concrete masonry units or systems, exterior insulation finishing systems (EIFS), fiber cement, curtain walls, rainscreen systems

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or glass. All materials shall be commercial grade, durable, and have a multi-generational life span.

2.5 Accent Materials – In conjunction with the principle materials listed above, the following accent materials may also be used to construct or clad exterior walls: finished wood, architectural metal panels, and vinyl. Accent materials shall be applied to no greater than 20 percent of each building façade.

2.6 Flat roofs and rooftop mechanical equipment, such as HVAC units, shall be concealed from public view at ground level by parapets or other enclosures. The average height of such parapets shall not exceed fifteen percent of the height of the supporting wall.

2.7 Loading/unloading areas, building service entrances, loading docks, overhead doors, and ground level HVAC units shall be visually screened from adjacent public right-of-way by structures and/or landscaping. All structures used for visual screening shall be constructed or clad with the same materials used for the primary building.

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

3) Site Design

3.1 A minimum of 5% of the internal surface area of the parking lot shall be landscaped through the use of planter islands and peninsulas.

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

- i. Parking lots or parking structures
- ii. Any public sidewalk or multi-use path along the perimeter of the lot
- iii. Entrances of other buildings on the site
- iv. Any public sidewalk system along the perimeter streets adjacent to the development



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- v. Adjacent pedestrian origins and destinations—including but not limited to transit stops, residential development, office buildings, and retail shopping buildings— where deemed practical and appropriate by the Zoning Administrator

4) Prohibited Uses

For the purposes of this Conditional Overlay, the following uses are prohibited:

4.1 Portable advertising signs

4.2 Detention facilities

4.3 Self-service storage

4.4 Vehicle repair

4.5 Vehicle service, limited

4.6 Industrial uses

4.7 Adult entertainment center

5) Conditional Uses

For the purposes of this Conditional Overlay, the following uses require approval of a Conditional Use Permit in accordance with Section 20-0909 of the LDC:

5.1 Off-premise advertising

6) Definitions

For the purposes of this Conditional Overlay, the following terms shall have the meanings ascribed to them:

6.1 *Façade*: Any exterior side of a building as viewed from a single direction. Said direction is typically perpendicular to the exterior side of the building being viewed.

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6.2 *Depth*: A horizontal distance that is perpendicular to a building façade.

6.3 *Elevation*: A horizontal orthographic projection of a building on to a vertical plane, the vertical plane being parallel to one side of the building

**Part B): The following requirements apply to all residential development:**

1) Description

This C-O, Conditional Overlay district is primarily intended to encourage high-quality, durable, and long-lasting investments in order to enhance the quality of life and discourage blight. To that end, it is intended that all properties be designed to a human scale and that buildings should have architectural interest and variety through the use of articulated façades. In order to avoid the effect of a single, long, or massive wall with no relation to human scale, it is intended that articulated façades should include elements such as setbacks, change in materials, roof pitch or height variability.

2) Building form and style

2.1 Principle Materials – Unless otherwise deemed acceptable by the Zoning Administrator, all exterior walls shall be constructed or clad with natural stone, synthetic stone, brick, stucco, integrally-colored and textured concrete masonry units or systems, exterior insulation finishing systems (EIFS), fiber cement, curtain walls, rainscreen systems or glass. All materials shall be commercial grade, durable, and have a multi-generational life span. Horizontal metal lap siding and vertical metal batten shall be allowed on residential structures but should not exceed 75% of the building elevation.

2.2 Accent Materials – In conjunction with the principle materials listed above, the following accent materials may also be used to construct or clad exterior walls: finished wood, architectural metal panels, and vinyl. Accent materials shall be applied to no greater than 20 percent of each building façade.

2.3 Dumpsters, refuse containers, and outdoor storage areas shall be located at the side or rear of buildings and shall be visually screened from adjacent public right-of-way by walls or fencing. Dumpsters and refuse containers shall contain walls or fencing on at least three sides with the service opening not directly facing any public right-of-way

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or residentially zoned property. The fourth side shall incorporate a gate to visually screen the dumpsters or refuse containers.

3) Site Design

3.1 Separate vehicular and pedestrian circulation systems shall be provided. An on-site system of pedestrian walkways shall be provided between building entrances and the following:

- i. Parking lots or parking structures
- ii. Any public sidewalk or multi-use path along the perimeter of the lot
- iii. Entrances of other buildings on the site
- iv. Any public sidewalk system along the perimeter streets adjacent to the development
- v. Adjacent pedestrian origins and destinations—including but not limited to transit stops, residential development, office buildings, and retail shopping buildings—where deemed practical and appropriate by the Zoning Administrator.
- vi. Upon approval of the Zoning Administrator, adjacent properties may share pedestrian circulation systems that connect to public sidewalks.

Section 9. The City Auditor is hereby directed to amend the zoning map now on file in his office so as to conform with and carry out the provisions of this ordinance.

Section 10. This ordinance shall be in full force and effect from and after its passage and approval.

\_\_\_\_\_  
Timothy J. Mahoney, Mayor

(SEAL)

Attest:

\_\_\_\_\_  
Steven Sprague, City Auditor


First Reading:  
Second Reading:  
Final Passage:

**Finance Office**

P.O. Box 2083  
200 3rd Street North  
Fargo, North Dakota 58107-2083  
Phone: 701-241-1333  
Fax: 701-241-1526

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**TO:** BOARD OF CITY COMMISSIONERS

**FROM:** KENT COSTIN, DIRECTOR OF FINANCE 

**RE:** AUTHORIZE THE ISSUANCE OF REFUNDING IMPROVEMENT BONDS, SERIES 2018D IN JULY, 2018

**DATE:** JUNE 25, 2018

The City of Fargo is planning to sell Refunding Improvement Bonds in July. Due to the timing of the City Commission calendar and anticipated level of planned debt issuances in the bond market on July 16<sup>th</sup>, our financial advisor Springsted, Inc. is recommending issuance of our securities on July 11.

This is a strategic planning decision that should provide excellent results that do not compete with other bond issuers.

Dorsey and Whitney, our bond counsel, drafted a resolution authorizing the issuance of Refunding Improvement Bonds, Series 2018D using resolution parameters allowing for the sale on July 10. Fargo bonds will be marketed and sold as long as the final bids are within the resolution parameters.

The resolution authorizing the bond sale subject to parameters and a resolution pledging special assessment warrants to this bond sale are included for your review and approval.

**Suggested Motion:**

Approve a resolution authorizing the issuance of Refunding Improvement Bonds, Series 2018D totaling \$43,025,000, establishing a debt service fund, and pledging special assessment warrants for the repayment of this bond issue.

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$43,500,000 CITY OF FARGO, NORTH DAKOTA REFUNDING IMPROVEMENT BONDS,  
SERIES 2018D, PRESCRIBING THE TERMS AND COVENANTS THEREOF, AND  
CREATING A FUND FOR THE PAYMENT THEREOF

**WHEREAS**, the City Commission (the "Commission"), of the City of Fargo, Cass County, North Dakota (the "Issuer") has heretofore duly created the improvement districts as set forth in **Attachment A** hereto (the "Improvement Districts"), authorized the issuance of certain definitive warrants of the Issuer (the "Warrants") for each such Improvement District in the amounts set forth in **Attachment A** hereto for the construction of improvements in the related Improvement District (the "Improvements;" and established special funds for each Improvement District (the "Special Funds", each a "Special Fund");

WHEREAS, the Issuer desires to issue a series of its refunding improvement bonds (the "Bonds") to finance the Improvements;

WHEREAS, the Issuer is authorized by North Dakota Century Code Chapter 40-27 (the "Act") to issue such Bonds;

WHEREAS, the Issuer desires to provide for the payment of such refunding improvement bonds through a pledge of the Warrants;

WHEREAS, such Bonds shall be payable solely out of moneys in the Special Funds from which the Warrants are payable;

WHEREAS, pursuant to North Dakota Century Code Section 40-26-08, whenever all special assessments for an Improvement are insufficient to pay principal or interest then due on the Warrants, the Issuer shall levy a tax upon all of the taxable property in the Issuer for the payment of such deficiency; and

WHEREAS, in and by the resolution adopted by the Issuer on this date, entitled "RESOLUTION CREATING THE FUNDS OF IMPROVEMENT DISTRICTS, PROVIDING FOR AND APPROPRIATING SPECIAL ASSESSMENTS FOR THE SUPPORT AND MAINTENANCE OF SAID FUNDS, AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$43,500,000 IMPROVEMENT WARRANTS (SERIES 2018D) THEREON" the Issuer has authorized the issuance of the Warrants in the aggregate principal amount not to exceed \$43,500,000 payable from the Special Funds of the respective Improvement Districts, subject to the terms, provisions and covenants set forth in the resolution, which resolution is incorporated herein and made a part hereof;

BE IT RESOLVED by the Commission of the Issuer, as follows:

1. Findings. It is hereby found, determined, and declared that said Warrants were duly and legally authorized under authority of and in accordance with the provisions of Title 40 of the North Dakota Century Code, as amended; that there is not at the present time in the Special Funds sufficient money to pay the Warrants drawn thereon with interest, and by the exchange of said Warrants for the Bonds the interest rate and interest costs thereon will be substantially reduced,

and the general tax which the Issuer may become obligated to levy for any deficiencies in said funds can be reduced and equalized, and the burden on the taxpayers and property owners will be substantially reduced; that said Warrants are subject to exchange at the option of the Issuer for the purpose of issuing refunding improvement bonds or warrants of the Issuer in accordance with the provisions of Chapter 40-27, North Dakota Century, Code; that all acts, conditions, and things required by the Constitution and laws of the State of North Dakota to be done, to exist, to happen, and to be performed precedent to the issuance of the Bonds hereinafter described have been done, do exist, have happened, and have been performed in due form, time and manner as so required; and that the issuance of the Bonds is necessary and expedient and for the best interest of the Issuer and its inhabitants, taxpayers, and the owners of property liable to be assessed for said Improvements.

2. Form of Bonds. The Bonds shall be in substantially the form attached as **Attachment C** hereto.

3. Authorization and Terms of Bonds. The Commission of the Issuer hereby authorizes Springsted Incorporated, St. Paul, Minnesota, to solicit bids for the purchase of the Bonds pursuant to the Official Terms of Offering attached hereto as **Attachment B**. The City Commission hereby authorizes the Issuer to accept bids to purchase the Bonds upon the terms and conditions set forth in this resolution. The Commission hereby delegates the power and authority to the Mayor, the City Auditor, and the City Finance Director of the Issuer to review bids received for the purchase of the Bonds and to accept a bid at a later date to finalize the actual principal amount of Bonds to be issued, the amortization schedule, the interest rates and underwriter's compensation, provided that the true interest cost proposed for the Bonds does not exceed 4.50% per annum.

4. Approval of Documents and Authorization for Execution and Delivery.

(a) Bond Purchase Agreement. The execution of a Bond Purchase Agreement setting forth such final terms by the Mayor and City Auditor of the Issuer is hereby approved and authorized and such execution shall be conclusive evidence of such agreement and shall be binding upon the Issuer. The provisions of the Bond Purchase Agreement as so executed, including all Exhibits and Appendices thereto, are incorporated herein by reference.

(b) Official Statement. The Bonds will be offered for sale by means of an Official Statement. The Mayor and City Auditor, are authorized, in cooperation with Springsted Incorporated, as the Issuer's municipal advisor and Dorsey & Whitney LLP, as Bond Counsel, to prepare a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds. The City Auditor is hereby authorized on behalf of the Issuer to deem the Preliminary Official Statement a "final" official statement as of its date, in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Mayor and the City Auditor are hereby authorized and directed to approve, and, if requested, to execute the final Official Statement to be prepared substantially in the form of the Preliminary Official Statement, including final pricing terms. The Issuer hereby consents to the distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds.

(c) Approval and Execution of Documents. Upon the determination of the terms of the Bonds (within the limits set forth herein), the Bond Purchase Agreement, and such other documents and certificates shall be executed in the name and on behalf of the Issuer by the Mayor and the City Auditor, but with such changes therein, not inconsistent with this Resolution, as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof.

5. Terms, Execution and Delivery.

(a) Maturities and Interest Rates. The Bonds shall be issued in the denomination of \$5,000 each, or any integral multiple thereof, shall mature on the dates and in the respective years and amounts, and shall bear interest from date of original issue until paid or duly called for redemption payable on the dates and at the respective annual rates as set forth in the Bond Purchase Agreement. The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein; provided that, so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 9 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

(b) Dates and Interest Payment Dates. Each Bond shall bear a date of original issue as of the date on which the Bonds are delivered to the purchaser. Upon initial delivery of the Bonds pursuant to Section 9 and upon any subsequent transfer or exchange pursuant to Section 9, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on each May 1 and November 1, commencing May 1, 2019, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar's close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date, whether or not such day is a business day.

(c) Redemption. The Bonds will be subject to redemption as set forth in Attachment B and the Bond Purchase Agreement. In the event any Bond is called for redemption prior to maturity, the Issuer will cause a notice of redemption to be sent to the Bond Registrar, Paying Agent and the registered owners of the Bonds called for redemption at least twenty (20) days before the date specified for redemption at the address shown on the registration books of the Bond Registrar. Within ten (10) days before the thirtieth (30th) day prior to any specified redemption date, if less than all Bonds of a single maturity are to be redeemed the Bond Registrar will select for redemption (by lot or in such manner as the Bond Registrar may determine) from all outstanding Bonds of the applicable maturity a principal amount of such Bonds equal to the aggregate principal amount of such Bonds to be redeemed, and will call such Bonds or portions thereof for redemption on such Redemption Date; provided that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof and that in selecting Bonds for redemption, the Bond Registrar shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all Bonds are to be optionally redeemed, the maturity or maturities of the Bonds to be redeemed shall be selected by the Issuer.

(e) Initial Registrar. Books for the registration and for the transfer of the Bonds as provided in this Resolution shall be kept by the City Auditor of the Issuer, which is hereby appointed the Bond Registrar, Transfer Agent and Paying Agent (the "Registrar").

6. Transfer and Exchange. The Bonds are transferable upon the books of the Issuer at the principal office of the Bond Registrar by the registered owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for Bonds of the same series of other authorized denominations. Upon such transfer or exchange the Issuer will cause a new Bond or Bonds of the same series to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange. No transfer of Bonds shall be required to be made during the 15 days next preceding an interest payment date, nor during the 45 days next preceding the date fixed for redemption of such Bonds.

The Issuer and the Bond Registrar may deem and treat the person in whose name any Bond is registered as the absolute owner thereof, whether the Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary.

7. Bonds Mutilated, Destroyed, Lost, or Stolen. If any Bond shall become mutilated or be destroyed, lost, or stolen, the Issuer in its discretion may execute and upon its request, the Bond Registrar shall authenticate and deliver a new Bond of the same series in exchange for the mutilated Bond or in lieu of and substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Bond Registrar in a form satisfactory to both (i) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the applicant's Bond and of the ownership thereof and (ii) in the case of any destroyed, lost, or stolen Bond, such security or indemnity as may be required by them to save each of them harmless from all risks, however remote. The Bond Registrar may authenticate any Bond issued upon such exchange or substitution and deliver such Bond upon the request of the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer or the Bond Registrar.

If any Bond that has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, instead of issuing a Bond in exchange or substitution therefor, the Issuer may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Bond Registrar evidence to the satisfaction of the Issuer and the Bond Registrar of the mutilation, destruction, loss, or theft of such Bond and the ownership thereof and, in the case of any destroyed, lost, or stolen Bond, such security or indemnity as they may require to save them harmless from all risks.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond of the same series that is mutilated, destroyed, lost, or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost, or stolen Bond



shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the respect to the replacement or payment mutilated, destroyed, lost, or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

8. Cancellation and Disposition of Bonds. All mutilated Bonds, all Bonds surrendered for exchange or transfer, all Bonds that have been paid at maturity or upon prior redemption, and all Bonds surrendered to the Issuer for cancellation shall be canceled by the Bond Registrar Trustee (as the case may be) and cremated or destroyed by other means.

9. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Auditor and shall be executed and authenticated on behalf of the Issuer by the signatures of the Mayor and the City Auditor. All signatures may be printed, lithographed or engraved facsimiles of the original. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared and executed, the Issuer shall deliver the same to the Purchaser in exchange for the warrants of the Districts in the same aggregate principal amount, heretofore purchased by the Purchaser, and the Issuer shall pay to the Purchaser the interest accrued to the date of exchange of said warrants less the amount of interest accrued to said date on the Bonds; all in accordance with the agreement heretofore made and entered into relative to the refunding of the warrants, which agreement is hereby approved, ratified and confirmed.

In the event of the absence or unavailability of the Mayor, the City Auditor, or other appropriate officer of the City, the Bonds and the other documents authorized for execution and delivery pursuant to this section may be executed and delivered by the individual or individuals authorized generally by the City to act on behalf of the Mayor, the City Auditor, or other officer of the City in such circumstances, including, without limitation, the Deputy Mayor and the Deputy City Auditor, as the case may be.

10. Establishment of Bond Fund. There shall be and is hereby created a special fund to be maintained by the City Auditor separate and apart from all other funds of the Issuer, to be designated as the SERIES 2018D REFUNDING IMPROVEMENT BOND FUND (herein referred to as the "Bond Fund"). To the Bond Fund shall be credited the Warrants when received by the City Auditor, which Warrants shall thereupon become and shall thereafter be held as an asset of said fund, and the proceeds of all collections on said Warrants so acquired shall be held by the Issuer in trust for the use and benefit of the holders from time to time of the Bonds on a parity

basis between series. The Special Funds of the Improvement District described in the resolution referred to in paragraph 1 hereof shall be continued and payments shall be made therefrom on the Warrants drawn thereon in the same manner as though said Warrants had not been exchanged. All payments of principal and interest made on said Warrants shall be credited to the Bond Fund and shall be used and applied in payment of the principal of and interest on the Bonds as such principal and interest become due.

11. Covenants. The Issuer hereby covenants and agrees with the holders from time to time of the Bonds issued pursuant hereto:

(a) That it will use due diligence to collect all amounts due on the Warrants and to levy and collect the special assessments appropriated for their payment.

(b) That it will preserve and enforce for the benefit of the holders from time to time of the Bonds all of the rights, powers, and privileges reserved, to the holders of the Warrants, and all of the covenants of the Issuer as provided in the resolution authorizing the issuance of the improvement warrants.

(c) That at the time and in the manner prescribed by § 40-26-08, North Dakota Century Code, as amended, this governing body will levy general taxes on all taxable property in the corporate limits of the Issuer for the payment of any deficiency in any Special Fund and will cause the proceeds thereof to be applied in payment of the principal of and interest on the then unpaid Warrants drawn on said Special Fund; provided that the Issuer reserves the right to levy taxes in the manner and to the extent permitted by law for payment and discharge of any deficiency in said Special Funds prior to the date upon which it may become obligatory to levy such deficiency taxes, and the amounts thereof shall be credited against the levies which the Issuer might otherwise have been obligated to make.

(d) That in the event the moneys in the Bond Fund should at any time be insufficient to meet all payments of principal and interest then due on the Bonds, said moneys shall be first used to pay the interest accrued on all outstanding Bonds, and the balance shall be applied in payment of the principal of said Bonds in order of their maturity dates, earliest maturities first, Bonds bearing the same maturity dates being paid pro rata. The Issuer reserves the right and privilege of refunding any of such matured Bonds for the payment of which moneys are not at the time available by issuing new bonds payable from said Bond Fund, which bonds shall be on a parity with those theretofore issued as to interest charges thereon, but the maturity thereof shall be subsequent to the maturity of all Bonds payable from said fund and then outstanding, provided that no holder of Bonds herein authorized to be issued shall be obligated to accept any such bond in exchange for any of such matured Bond.

(e) The Issuer hereby reserves the right to issue additional improvement warrants and refunding improvement bonds, payable on a parity with the Bonds issued hereunder and the Warrants exchanged for the Bonds, to the extent required to complete the improvements presently proposed for the Improvement Districts and to be financed by the issuance of the additional improvement warrants exchanged for additional revenue bonds.

(f) The Issuer hereby pledges all special assessments for improvements funded in whole or in part from the proceeds of the Bonds, all Warrants and the payments thereon, and all amounts on deposit from time to time in the Special Funds and the Bond Fund to the payment of the principal of, and interest on, the Bonds (and any additional bonds issued as contemplated by Section 11(e) above) on a parity basis.

12. Payment and Discharge; Defeasance. When all of the Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution shall cease. The Issuer may discharge its obligations with respect to all or a portion of the Bonds which are due on any date by depositing with the Paying Agent on or before that date a sum sufficient for the payment of the principal thereof, and interest accruing thereon to such duty in full. If any Bond shall not have been paid when due, the same may nevertheless be discharged by depositing with the Paying Agent a sum sufficient for the payment of the principal thereof in full with interest accrued thereon from the date to which interest has been paid to the date of such deposit and payment to the owners thereof. The Issuer may also discharge its obligations with respect to all or a portion of the Bonds, by depositing with the paying agent on or before that date an amount equal to the principal, interest and redemption premium, if any, which are due on the maturity date, or earlier redemption date selected by the Issuer, provided that notice of such redemption has been duly given as provided herein. The Issuer may also at any time discharge its obligations with respect to all or a portion of the Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank or financial institution qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be sufficient to pay all principal, interest, and redemption premium to become due thereon to maturity or the date of earlier redemption selected by the Issuer. If less than all of the Bonds are to be discharged pursuant to this paragraph, the maturity date, the mandatory sinking fund redemption requirement with respect to Term Bonds, and series may be selected by the Issuer in its sole discretion.

13. Authentication of Transcript. The officers of the Issuer are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the Issuer as to the correctness of all statements contained therein.

14. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the sender agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the Issuer may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the Issuer shall be affected by any notice to the contrary. Neither the Registrar nor the Issuer shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the Issuer to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the Issuer determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of bond certificates, the Issuer may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer and the Registrar and

discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Issuer is hereby confirmed and ratified.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of bond certificates and the method of payment of principal of and interest on such Bonds in the form of bond certificates. Any successor depository must be both a "clearing corporation" as defined in North Dakota Century Code, Section 41-08-02 and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended.

15. Tax Covenants; Arbitrage Matters; Reimbursement and Continuing Disclosure.

(a) Tax Covenant. The Issuer covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and Regulations, Amended Regulations, and Proposed Regulations issued thereunder, as now existing or as hereinafter amended or proposed and in effect at the time of such action.

(b) Arbitrage Certification. The Mayor and the City Auditor being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver a certificate in accordance with the provisions of the Code and applicable Treasury Regulations (the "Regulations"), stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be arbitrage bonds within the meaning of the Code and Regulations.

(c) Rebate. The Issuer acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The Issuer covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for one of the exceptions from the rebate requirement under Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the City Auditor is hereby authorized and directed to execute a Rebate Certificate, in the form prescribed by Bond Counsel, and the Issuer hereby covenants and agrees

to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

(d) Not Qualified Tax Exemption Obligations. The Bonds are not designated as “qualified tax-exempt obligations” for purpose of Section 265(b) of the Code.

(e) Reimbursement. The Issuer certifies that the proceeds of the Bonds will not be used by the Issuer to reimburse itself for any expenditure with respect to the Improvements which the Issuer paid or will have paid prior to the issuance of the Bonds unless, with respect to such prior expenditures, the Issuer shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Improvements meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Improvements as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

(f) Continuing Disclosure. The City Auditor is hereby authorized to execute, on behalf of the Issuer, the Continuing Disclosure Certificate in a form substantially similar to that attached as **Attachment D** hereto, which is hereby incorporated herein and made a part hereof.

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Mayor

Attest:

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City Auditor

COMMISSIONER \_\_\_\_\_ introduced the following resolution and moved its adoption. The motion for the adoption of the foregoing resolution was duly seconded by COMMISSIONER \_\_\_\_\_, and upon roll call vote, the following voted in favor thereof:

COMMISSIONERS \_\_\_\_\_.

The following were absent and not voting: \_\_\_\_\_,

and the following voted against the same: \_\_\_\_\_,

whereupon the resolution was declared duly passed and adopted.

CERTIFICATE

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

I, Steven Sprague, the duly appointed City Auditor of the City of Fargo, North Dakota, do hereby certify that the preceding resolution attached hereto is a full, true, and correct copy of the RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$43,500,000 CITY OF FARGO, NORTH DAKOTA REFUNDING IMPROVEMENT BONDS, SERIES 2018D, PRESCRIBING THE TERMS AND COVENANTS THEREOF, AND CREATING A FUND FOR THE PAYMENT THEREOF adopted by the governing body of the City of Fargo at the meeting held on July 11, 2018, and that such Resolution is now a part of the permanent records of the City of Fargo, North Dakota, as such records are filed in the office of the City Auditor.

Dated this \_\_\_\_\_ day of July, 2018.

\_\_\_\_\_  
City Auditor

(S E A L)



Attachment A

**LIST OF IMPROVEMENT DISTRICTS WITH ESTIMATED PRINCIPAL AMOUNTS,  
LEVY YEARS, AMOUNTS, AND YEARS OF PAYMENT FOR EACH**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>District Designation</b>	<b>Levy Years (inclusive)</b>	<b>Aggregate Principal Amount</b>	<b>Amounts and Payment Years</b>
Sewer Repairs Improvement District No. 201701	2018 through 2033	\$771,063.00	Equal Principal and Interest Payments in each of the years 2019 through 2034
Seal Coat Improvement District No. PR-17-G	2018 through 2033	\$147,892.87	Equal Principal and Interest Payments in each of the years 2019 through 2034
Traffic Signal Improvements District No. TN-16-CI	2018 through 2033	\$796,437.66	Equal Principal and Interest Payments in each of the years 2019 through 2034
Street Lights Improvement District No. SL-17-E	2018 through 2038	\$800,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2039
Alley Paving Improvement District No. AN-17-A	2018 through 2043	\$345,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Alley Paving Improvement District No. AN-17-C	2018 through 2043	\$92,313.66	Equal Principal and Interest Payments in each of the years 2019 through 2044
Alley Paving Improvement District No. AN-17-E	2018 through 2043	\$80,891.22	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-16-C	2018 through 2043	\$3,410,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>District Designation</b>	<b>Levy Years (inclusive)</b>	<b>Aggregate Principal Amount</b>	<b>Amounts and Payment Years</b>
Sanitary Sewer, Water Main, Storm Sewer, Site Grading, Curb & Gutter, Paving Improvement District No. BN-16-G	2018 through 2043	\$1,686,454.62	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-16-J	2018 through 2043	\$1,414,079.32	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Site Grading, Curb & Gutter, Paving Improvement District No. BN-16-K	2018 through 2043	\$932,899.40	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-17-B	2019 through 2044	\$7,600,000.00	Equal Principal and Interest Payments in each of the years 2020 through 2045
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-17-F	2018 through 2043	\$514,343.80	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-17-G	2018 through 2043	\$1,475,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-17-H	2018 through 2043	\$863,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Storm Sewer Lift Station Improvement District No. NN-15-A	2018 through 2043	\$1,641,308.62	Equal Principal and Interest Payments in each of the years 2019 through 2044
Lift Station 48 Expansion and Sewer Service Improvements District No. NR-16-A	2018 through 2043	\$652,106.94	Equal Principal and Interest Payments in each of the years 2019 through 2044

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>District Designation</b>	<b>Levy Years (inclusive)</b>	<b>Aggregate Principal Amount</b>	<b>Amounts and Payment Years</b>
PC Concrete Paving, Street Lights Improvement District No. PN-15-A	2018 through 2043	\$4,307,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Concrete Curb and Gutter, Asphalt Pavement, Street Lights Improvement District No. PN-15-J	2018 through 2043	\$1,831,818.75	Equal Principal and Interest Payments in each of the years 2019 through 2044
Asphalt Wear Course Improvement District No. PN-17-A	2018 through 2043	\$1,067,452.56	Equal Principal and Interest Payments in each of the years 2019 through 2044
Street Reconstruction Improvement District No. PR-17-A	2018 through 2043	\$9,854,500.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Mill and Overlay Improvement District No. PR-17-H	2018 through 2033	\$2,030,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2034
Sanitary Sewer Force Main Improvement District No. UN-15-B	2018 through 2043	\$830,000	Equal Principal and Interest Payments in each of the years 2019 through 2044
Storm Sewer Repairs Improvement District No. UR-15-B	2018 through 2043	\$209,177.13	Equal Principal and Interest Payments in each of the years 2019 through 2044
<b>Total Principal Amount</b>		<b>\$43,352,734.55</b>	

Attachment B

OFFICIAL TERMS OF OFFERING

[To be attached]

Attachment C

## FORM OF BONDS SERIES 2018D BONDS

UNITED STATES OF AMERICA  
STATE OF NORTH DAKOTA  
COUNTY OF CASS

CITY OF FARGO

## REFUNDING IMPROVEMENT BOND, SERIES 2018D

No. \_\_\_\_

\$[\_\_\_\_\_]

INTEREST RATEMATURITYDATE OF  
ORIGINAL  
ISSUECUSIP

[\_\_\_\_\_]%

May 1, 20[\_\_\_\_]

July [\_\_\_\_], 2018

[\_\_\_\_\_]

REGISTERED OWNER: CEDE &amp; CO.

PRINCIPAL AMOUNT:

DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the City of Fargo, Cass County, North Dakota (the "Issuer"), acknowledges itself to be indebted and for value received promises to pay to the registered owner named above, or registered assigns, the principal amount specified above on the maturity date specified above and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual rate specified above, payable on May 1 and November 1 in each year, commencing May 1, 2019 (each such date, an "Interest Payment Date") all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft drawn by the City Auditor of the Issuer, who will serve as the Bond Registrar (the "Registrar")

This Bond is one of an issue designated the CITY OF FARGO REFUNDING IMPROVEMENT BONDS, SERIES 2018D (the "Bonds"), in the aggregate principal amount of \$[\_\_\_\_\_] all of like date and tenor except as to serial number, maturity date, interest rate, and redemption privilege, issued, pursuant to the Resolution adopted by the governing body of the Issuer for the purpose of refunding a like principal amount of valid outstanding special improvement warrants drawn on the funds of improvement districts heretofore duly created by the Issuer for the financing of the cost of local improvements in anticipation of the levy and collection of special assessments with respect

to the improvements, all pursuant to and in full conformity with the Constitution and laws of the State of North Dakota.

The Bonds maturing on May 1 in the years 20\_\_ through 20\_\_ are not be subject to optional redemption in advance of their respective stated maturity dates.

The Bonds maturing on May 1 in the years 20\_\_ through 20\_\_ are subject to optional redemption on or after May 1, 20\_\_ at a price of par plus accrued interest to the date of redemption.

In the event Bonds are to be called for optional redemption in part, the maturities and the Bonds within a maturity shall be selected by the Bond Registrar by lot or in such manner as the Bond Registrar shall determine. Not less than 20 days prior to the date specified for redemption and prepayment of any of the Bonds, the Issuer will cause notice of the call thereof to be sent by mail to the Bond Registrar, the Paying Agent, and the registered owner of the Bond to be redeemed, in whole or in part, at the address shown on the registration books of the Registrar.

[The Bonds maturing May 1, 20[\_\_\_], shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on May 1 of the following years and in the following principal amounts:

Redemption Date	Principal
(May 1)	<u>Amount</u>
20__	\$ _____
20__ *	\$ _____
_____	
*maturity	

The Bonds maturing May 1, 20\_\_, shall be known as Term Bonds. The Term Bonds are subject to mandatory sinking fund redemption in part at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the Redemption Date on May 1 of the following years and in the following principal amounts:

Redemption Date	Principal
(May 1)	<u>Amount</u>
20__	\$ _____
20__ *	\$ _____
_____	
*maturity]	

In the event a Bond is called for mandatory sinking fund redemption, the Bonds to be redeemed within a maturity shall be selected by the Bond Registrar by lot or in such manner as the Bond Registrar shall determine. Not less than 20 days prior to the date specified for redemption and prepayment of this Bond, the Issuer will cause notice of the call thereof to be sent by mail to the Bond Registrar, the Paying Agent, and the registered owner of this Bond to be redeemed, in whole or in part, at the address shown on the registration books of the Registrar. If less than all Term Bonds of a single maturity of the same series are to be redeemed at the option of the Issuer,

the Issuer may apply the principal amount to be redeemed to reduce the mandatory sinking fund redemption requirements in such the Term Bond to be redeemed in such year or years as it determines in its sole discretion.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the Issuer at the principal office of the Bond Registrar, by the registered owner hereof in person or by its attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the Issuer will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate, and maturing on the same date, subject to reimbursement for any tax, fee, or governmental charge required to be paid with respect to such transfer or exchange. The Issuer and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Issuer.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED, AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of North Dakota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of this Bond have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that the Issuer has duly created the SERIES 2018D REFUNDING IMPROVEMENT BOND FUND as a separate and special fund and has appropriated thereto the improvement warrants refunded by the Bonds of this series, on which improvement warrant payments are required by law to be made as though none of such warrants had been refunded, and will use due diligence to collect said improvement warrants and the special assessments and any taxes appropriated for their payment; the Issuer has reserved the right and privilege of issuing additional improvement warrants on the funds of said improvement districts, if and to the extent necessary to complete payment of the cost of the improvements, and the right and privilege of refunding such warrants by the issuance of additional series of Refunding Improvement Bonds, payable on a parity with the Bonds of this series, provided that the total amount of special assessments and taxes appropriated for payment of the cost of the improvements shall be not less than the total amount of warrants issued with respect thereto; that the governing body is required by law to levy a tax upon all the taxable property in the corporate limits of the Issuer, without limitation as to rate or amount, to meet any deficiency in any of said improvement district funds for the payment of all warrants drawn thereon, with interest; and that all collections of special assessments and taxes appropriated for the payment of said improvement warrants are required by law to be credited to the Bond Fund and applied in payment of the principal of and interest on the Bonds of this series and any other series issued pursuant to the authority hereinbefore reserved; all

as more fully stated in the Resolution; and that the issuance of this Bond has not caused the indebtedness of the Issuer to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF the City of Fargo, North Dakota, by its governing body, has caused this Bond to be executed in its behalf by the manual or facsimile signature of the Mayor and City Auditor, and sealed with its official seal, and has caused the certificate appearing on the following page to be executed by the manual or facsimile signatures of said officers.

CITY OF FARGO

\_\_\_\_\_  
Mayor

(S E A L)

\_\_\_\_\_  
City Auditor

\_\_\_\_\_  
CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: \_\_\_\_\_

CITY AUDITOR, as Bond Registrar

By: \_\_\_\_\_  
Authorized Representative



The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --as tenants in common

UTMA ..... as Custodian for .....

(Cust)

(Minor)

TEN ENT --as tenants by the entireties under Uniform Transfers to Minors Act .....

(State)

JT TEN --as joint tenants with right of survivorship and not as tenants in common

Other abbreviations may also be used.

## ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

---

the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint

---

attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

PLEASE INSERT SOCIAL SECURITY NUMBER  
OR OTHER IDENTIFYING NUMBER OF  
ASSIGNEE:

Signature Guaranteed:

Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other “signature guaranty program” as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Attachment D

CONTINUING DISCLOSURE CERTIFICATE

July \_\_, 2018

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Fargo, North Dakota (the “Issuer”) in connection with the Issuer’s \$[\_\_\_\_\_] REFUNDING IMPROVEMENT BONDS, SERIES 2018D (the “Bonds”). The Bonds are being issued pursuant to authorizing resolution adopted by the governing body of the Issuer on July 11, 2018 (the “Resolution”), and delivered to the respective Purchasers on the date hereof. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Bonds in order to assist the Participating Underwriters within the meaning of SEC Rule 15c2-12(b)(5) (the “Rule”) in complying with the Rule. This Disclosure Certificate constitutes the written undertaking and agreement of the Issuer for the benefit of the Owners of the Bonds as required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means the annual financial information (as defined in the Rule), including audited financial statements, to be provided to the MSRB in an electronic format prescribed by the MSRB pursuant to paragraph 5(i)(A) and (B) of the Rule, as described in Section 3 and 4 of this Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system established by the MSRB with the support of the SEC, or any successor system, which can be accessed on the date hereof at [www.emma.msrb.org](http://www.emma.msrb.org).

“Financial Statements” means audited or, if unavailable, unaudited general purpose financial statements of the Issuer prepared in accordance with generally accepted accounting principles, as in effect from time to time or as required to be modified as a matter of law. If unaudited financial statements are provided, audited financial statements will be provided when and if available.

“Fiscal Year” means the fiscal year of the Issuer.

“Final Official Statement” means the final official statement relating to the Bonds dated [\_\_\_\_], 2018, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Issuer” means the City of Fargo, North Dakota, which is the obligated person (as defined in the Rule) with respect to the Bonds.

“Material Event” means any of the events listed in paragraph 5(i)(C) and paragraph 5(i)(D) of the Rule, which are set forth in Section 5(a) and (d) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board on the date hereof located at 1300 I Street, Suite 1000, Washington, DC 20005.

“Owner” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means the Securities and Exchange Commission.

Section 3. Provision of Annual Financial Information and Financial Statements.

(a) The Issuer shall, not later than 12 months after the end of each Fiscal Year, commencing with the year ending December 30, 2018, provide to the MSRB in an electronic format as prescribed by the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate and which shall include the CUSIP numbers for the all outstanding Bonds and such other identifying information as may be required from time to time by the Rule. The Annual Report shall be submitted to the MSRB at EMMA or as otherwise directed by the MSRB and may be submitted as a single document or as separate documents comprising a package, and may incorporate by specific reference information in documents available to the public on the MSRB’s internet website or filed with the SEC; provided that the Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide an Annual Report by the date required in subsection (a) to the MSRB, the Issuer shall provide a notice of such failure to the MSRB as set forth in Section 5(b) hereof.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the annual Financial Statements and annual financial information similar to that set forth in the following sections of the Final Official Statement:

- (1) Economic and Demographic Information.
- (2) Financial Summary.
- (3) City Indebtedness.
- (4) Outstanding Indebtedness.

- (5) Financial Information.
- (6) Property Valuation and Taxes.

Section 5. Reporting of Material Events.

(a) The Issuer shall provide to the MSRB in an electronic format prescribed by the MSRB notice of any of the following events with respect to the Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event, which notice shall be submitted to the MSRB at EMMA, or as otherwise directed by the MSRB:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modification to rights of security holders, if material;
- (8) Bond Calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the obligated person;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) If the Issuer determines that it has failed to give notice of a Material Event as set forth above or to file the Annual Report in a timely fashion as required herein, the Issuer shall promptly file a notice of such occurrence to the MSRB in an electronic format prescribed by the MSRB, which notice shall be submitted to the MSRB at EMMA or as otherwise directed by the MSRB.

Section 6. Reporting Generally. The Issuer shall file its Annual Report, each notice of a Material Event, and each notice required by subsection (b) of Sections 3 and 5 of this Disclosure Certificate with the CUSIP numbers for all outstanding Bonds specified and such other identifying information as may be required from time to time by the Rule or by the MSRB. Each such item shall be submitted to the MSRB at EMMA, or as otherwise directed by the Rule or the MSRB, in an electronic format prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all the Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment: Waiver. Notwithstanding any other provision of this Disclosure Certificate and without consent of the Owners of the Bonds, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (i) is required by an amendment of the Rule by the SEC or procedures relating to the Rule by the MSRB, (ii) is to clarify an ambiguity or error, or (iii) does not provide for undertakings which violate the Rule or procedures of the MSRB then in effect or eliminates undertakings then required by the Rule or otherwise required by the SEC or the MSRB with respect to the Rule, which may be evidenced by a written opinion of legal counsel selected by the Issuer to the effect that such amendment or waiver would not, in and of itself, violate the Rule, requires undertakings which would violate the Rule or eliminates undertakings required by the Rule. If the Issuer determines that any such amendment or waiver materially changes the information provided to the MSRB or the timing of the information to be provided and that such information has not otherwise been provided to the MSRB in an Annual Report or Material Event filing, it shall provide the MSRB notice of such amendments as additional information pursuant to Section 9 hereof.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from providing any other information to the public, using the means of filing with the MSRB as set forth in this Disclosure Certificate or any other means of communication. Such information may include any other information in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information and may state in the disclosure that it does not intend to update such information.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Owner of the Bonds may take such actions as may be necessary

and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, I have executed this Disclosure Certificate in my official capacity on behalf of the City of Fargo, North Dakota as of the date first written above.

CITY OF FARGO, NORTH DAKOTA

By: \_\_\_\_\_  
Steven Sprague  
City Auditor

RESOLUTION CREATING THE FUNDS OF IMPROVEMENT DISTRICTS,  
PROVIDING FOR AND APPROPRIATING SPECIAL ASSESSMENTS FOR  
THE SUPPORT AND MAINTENANCE OF SAID FUNDS, AND AUTHORIZING  
THE ISSUANCE OF NOT TO EXCEED \$43,500,000 IMPROVEMENT WARRANTS  
(SERIES 2018D) THEREON

BE IT RESOLVED by the City Commission (the "Commission") of the City of Fargo, Cass County, North Dakota (the "Issuer") as follows:

1. Findings. It is hereby found, determined, and declared that the Issuer has heretofore duly created the improvement districts as set forth in **Attachment A** hereto, which is incorporated herein (the "Improvement Districts"), and has ordered, received, and approved plans and specifications, and estimates of the cost, for the construction of the improvements in said Improvement Districts (the "Improvements"); that the governing body determined the necessity of constructing the Improvements; that the Improvements have been petitioned by the owners or that insufficient protests to the project were filed in accordance with State of North Dakota (the "State") law; that contracts for construction of the Improvements have been duly awarded and executed; that the contracts and contractors' bonds have been and are hereby approved; that the Issuer possesses and has power to exercise through this governing body full and exclusive jurisdiction over all streets and places wherein said improvements are located; that the total cost of said Improvements in excess of any other funds on hand and appropriated for the payment of such cost including reimbursing other funds of the Issuer for any amounts temporarily advanced to meet immediate expenses of the Improvements less prepayments actually received and to be used to pay the cost of said Improvements is now estimated to be approximately the amount set forth in **Attachment B** hereto, which is incorporated herein; that to pay the total cost of said Improvements, the Issuer will sell at competitive sale improvement warrants in at least the total principal amount set forth in **Attachment B** hereto; that the total benefits to all lots, tracts, and parcels of land liable to be specially assessed for benefits resulting from the Improvements in said Improvement Districts will be substantially in excess of the cost of said Improvements to be assessed against said properties as herein provided; and that all acts, conditions, and things required by the Constitution and laws of the State of North Dakota to be done, to exist, to happen, and to be performed preliminary to the issuance and sale of warrants to provide moneys to pay for said Improvements (the "Warrants") have been done, do exist, have happened, and have been performed in regular and due form and in the time and manner as so required. Each Warrant is payable from and secured by a special fund of the Issuer created with respect to an Improvement District and the special assessments levied within such Improvement District for the Improvements relating to such district.

2. Issuance and Sale of Warrants. In anticipation of the collection of said special assessments and taxes, if any, and for the purpose of borrowing money to pay the cost of said Improvements, the Issuer shall issue its Warrants on each Special Fund in an amount not to exceed \$43,500,000. The City Commission hereby authorizes the Issuer's municipal advisor Springsted Incorporated, St. Paul, Minnesota, to solicit bids for the purchase of the Warrants and authorizes the Issuer to accept bids to purchase the Warrants upon the terms and conditions set forth in this Resolution. The City Commission hereby delegates the power and authority to the Mayor, the City Auditor, and the City Finance Director of the Issuer to review bids received for the purchase of the Warrants, to be immediately refunded by the issuance by the Issuer of its Refunding

Improvement Bonds, Series 2018D (the "Bonds") in an aggregate principal amount not to exceed \$43,500,000, and to execute a bond purchase agreement for the sale of the Warrants, subject to the terms set forth in Section 2.01 hereof, provided that the true interest cost may not exceed 4.50%. The Mayor and City Auditor or their designees are authorized and directed to accept a bid and award the sale of the Warrant to the winning bidder subject to the limitations set forth above without further action of the Commission; provided, that the right to reject any or all bids is reserved. Issuance of the Warrant shall be conclusive evidence of the approval of such award.

3. Creation and Uses of Funds and Accounts There are hereby created special funds of the Issuer for each Improvement District (the "Special Funds," each a "Special Fund"), which Special Funds shall be held and administered by the City Auditor separate and apart from all other funds of the Issuer and each Special Fund shall be continued and maintained as directed in this resolution until all Warrants issued thereon shall have been fully paid with interest. In each such Special Fund there shall be maintained two separate accounts to be designated as the "Construction Account" and "Principal and Interest Account," respectively.

(a) There shall be credited to the Construction Account in each Special Fund the proceeds of the sale of the Warrants issued against such Special Fund except the accrued interest and except any amounts necessary to reimburse other funds of the Issuer for temporary advances made for the Improvements. All costs and expenses of making said Improvements, including interest coming due during construction, shall be paid from time to time as incurred and allowed from said Construction Account, upon Construction Account warrants signed by the Mayor and City Auditor, or in their absence, the Deputy Mayor and/or the Deputy City Clerk, and moneys in said Account shall be used for no other purpose, provided, that if upon completion of the Improvements and approval thereof by the Engineer for the Issuer, and payment of all claims and expenses in respect to said Improvement, there shall remain any unexpended balance in said Construction Account, such balance shall be transferred to the respective Principal and Interest Account and handled and accounted for in the same manner as other moneys in that account.

(b) There shall be credited to the Principal and Interest Account in each Special Fund the accrued interest, if any, on the Warrant drawn on said fund from the date of the Warrant to the date of delivery thereof to the purchaser, the entire amount of special assessments and any taxes to be levied with respect to that improvement as herein set forth, and any balance remaining in the Construction Account after completion of said Improvement. Moneys in the Principal and Interest Account shall be used only for payment of the principal of and interest on the Warrants drawn against said fund as such payments become due.

(c) The Issuer covenants and agrees with the holders from time to time of the Issuer's refunding improvement bonds, which are payable from, and secured by, the Warrants and the interest on which is excluded from gross income for federal tax purposes (the "Bonds"), that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended, and regulations, amended regulations, and proposed regulations issued thereunder, as now existing or as hereinafter amended or proposed and in effect at the time of such action.



4. Special Assessments. With respect to the Improvement Districts, the Issuer covenants and agrees with all holders of Warrants that it will do and perform as soon as may be possible, in accordance with law, all acts and things necessary for the final and valid levy of special assessments against properties within the Improvement Districts benefited by the Improvements, in an aggregate amount equal to the total cost of the Improvement to the Issuer, except any portion, not exceeding one-fifth of the cost of the improvement and not exceeding any applicable constitutional or statutory debt limit, as the Issuer may determine to pay by the levy of *ad valorem* taxes upon all taxable property within its corporate limits.

In the event that the special assessment should at any time be held invalid with respect to any lot or tract of land, due to any error, defect or irregularity in any action or proceeding taken or to be taken by the Issuer or by the governing body or by any officers or employees, either in the making of the special assessment or in the performance of any condition precedent thereto, the Issuer and this governing body covenant and agree that they will forthwith do all such further acts and take all such further proceedings as may be required by law to make such special assessment a valid and binding lien upon such lot or tract.

The installments of special assessments from time to time remaining unpaid shall bear interest at the rate, not exceeding one percentage point (1%) above the true interest cost (TIC) annual interest rate on bonds issued on special improvement districts, set forth in **Attachment A** hereto, said special assessments to be levied in equal annual installments of principal, together with the interest to accrue thereon, as set forth in **Attachment A** hereto.

5. Form of Warrant. The Warrants shall be reproduced in substantially the form set forth in **Attachment B** hereto and incorporated herein.

6. Execution and Delivery. Each Warrant shall be prepared for execution under the direction of the City Auditor and shall be executed on behalf of the Issuer by the signature of the Mayor, countersigned by the City Auditor and sealed with the official seal of the Issuer. When executed, the warrants shall be delivered by the City Auditor to the Purchaser thereof upon payment of the purchase price agreed upon, and the Purchaser shall not be obligated to see to the application of the purchase price.

The Mayor, the City Auditor, and other officers of the City are also hereby authorized to execute and deliver any such additional certificates, showings, agreements, or documents necessary or otherwise appropriate in connection with the issuance of the Warrants and the transactions contemplated thereby.

In the event of the absence or unavailability of the Mayor, the City Auditor, or other appropriate officer of the City, the Warrants and the other documents authorized for execution and delivery pursuant to this section may be executed and delivered by the individual or individuals authorized generally by the City to act on behalf of the Mayor, the City Auditor, or other officer of the City in such circumstances, including, without limitation, the Deputy Mayor and the Deputy City Auditor, as the case may be.

In case any officer signing documents authorized to be executed and delivered by this resolution shall cease to be such officer before or after the delivery of any such document, such

signature, nevertheless, shall be valid and remain sufficient for all purposes as if such officer had remained in office until such delivery or later applicable time.

7. Covenant as to Tax Levy. With respect to each Special Fund, the Issuer hereby recognizes its obligation with respect to the Warrants drawn against the Funds, as set forth in § 40-26-08, North Dakota Century Code, as amended, and covenants that whenever all special assessments and taxes, if any, theretofore collected for the related Improvement are insufficient to pay principal of or interest then due on the applicable Warrant, the governing body of the Issuer shall thereupon levy a tax upon all taxable property in the corporate limits of the Issuer for the payment of such deficiency; provided, that if said Warrant has been exchanged for refunding improvement bonds pursuant to the provisions of Chapter 40-27, North Dakota Century Code, such deficiency tax may be made payable in the years and amounts required to pay the principal of and interest on such refunding improvement bonds as the same become due. Nothing herein contained shall be deemed to limit the power of the Issuer and this governing body under the provisions of said § 40-26-08, as amended, to levy a general tax in anticipation of a deficiency considered likely to occur in said Special Fund within one year, and it is hereby declared to be the policy of the Issuer that the governing body will annually review the current requirements and resources of each Special Fund, at the time of the preparation of and hearing on the budget, in accordance with the provisions of Chapter 40-40, North Dakota Century Code, to the end that provisions may be made in each annual budget for any deficiency in said applicable Funds which is deemed likely to occur within the then next succeeding year. Any taxes levied in accordance with the provisions of this paragraph in payment of a deficiency, or in anticipation of a deficiency, shall be paid upon collection into the Principal and Interest Account of the Special Fund and applied as provided in paragraph 2(b) hereof.

8. Refunding. With respect to the Special Funds, the Issuer reserves the right and privilege of refunding any warrants drawn against any of the Special Funds and refunding improvement bonds payable from such warrants which are past due, or which are redeemable at the option of the Issuer, or to the redemption or exchange of which the holder thereof shall have consented, and for the payment of which Warrants moneys are not at the time available in said fund, by issuing new warrants pursuant to the provisions of § 40-27-06, North Dakota Century Code. Such refunding warrant shall be payable from the applicable Special Funds on a parity with the Warrants previously issued as to interest charges, provided, however, the principal maturities of such refunding warrant shall be subsequent to the maturities of all Warrants payable from such Special Fund and then outstanding, except the warrants so refunded.

With respect to the Special Funds, the Issuer also reserves the right to issue additional warrants and refunding improvement bonds for the payment of the cost of the improvement in said districts if the actual cost of said improvement should be greater than has been estimated, such additional warrants to be payable from said fund on a parity with other warrants drawn on said funds.

9. Certification of Proceedings. The officers of this Issuer and the County Auditor of Cass County are authorized and directed to prepare and furnish to the purchaser of said warrants and to Dorsey & Whitney LLP, Bond Counsel to the Issuer, certified copies of all ordinances, resolutions, affidavits or other instruments relating to the establishment and construction of said improvement and the operation and maintenance thereof, and the levy of special assessments and

taxes therefore or the issuance of said improvement warrants, which may be necessary or proper to show the validity or marketability of said warrants, and all instruments and transcripts so furnished, constitute representations of the Issuer as to the correctness of the facts as stated or recited therein.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Auditor

COMMISSIONER \_\_\_\_\_ introduced the preceding resolution and moved its adoption. The motion for the adoption of the foregoing resolution was duly seconded by COMMISSIONER \_\_\_\_\_, and upon roll call vote, the following voted in favor thereof:

COMMISSIONERS \_\_\_\_\_.

The following were absent and not voting:

\_\_\_\_\_, and the following voted against the same: \_\_\_\_\_, whereupon the resolution was declared duly passed and adopted this \_\_\_\_ day of July, 2018.

Attachment ALIST OF IMPROVEMENT DISTRICTS WITH ESTIMATED PRINCIPAL AMOUNTS,  
LEVY YEARS, AMOUNTS, AND PAYMENT YEARS FOR EACH

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>District Designation</b>	<b>Levy Years (inclusive)</b>	<b>Aggregate Principal Amount</b>	<b>Amounts and Payment Years</b>
Sewer Repairs Improvement District No. 201701	2018 through 2033	\$771,063.00	Equal Principal and Interest Payments in each of the years 2019 through 2034
Seal Coat Improvement District No. PR-17-G	2018 through 2033	\$147,892.87	Equal Principal and Interest Payments in each of the years 2019 through 2034
Traffic Signal Improvements District No. TN-16-CI	2018 through 2033	\$796,437.66	Equal Principal and Interest Payments in each of the years 2019 through 2034
Street Lights Improvement District No. SL-17-E	2018 through 2038	\$800,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2039
Alley Paving Improvement District No. AN-17-A	2018 through 2043	\$345,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Alley Paving Improvement District No. AN-17-C	2018 through 2043	\$92,313.66	Equal Principal and Interest Payments in each of the years 2019 through 2044
Alley Paving Improvement District No. AN-17-E	2018 through 2043	\$80,891.22	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-16-C	2018 through 2043	\$3,410,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>District Designation</b>	<b>Levy Years (inclusive)</b>	<b>Aggregate Principal Amount</b>	<b>Amounts and Payment Years</b>
Sanitary Sewer, Water Main, Storm Sewer, Site Grading, Curb & Gutter, Paving Improvement District No. BN-16-G	2018 through 2043	\$1,686,454.62	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-16-J	2018 through 2043	\$1,414,079.32	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Site Grading, Curb & Gutter, Paving Improvement District No. BN-16-K	2018 through 2043	\$932,899.40	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-17-B	2019 through 2044	\$7,600,000.00	Equal Principal and Interest Payments in each of the years 2020 through 2045
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-17-F	2018 through 2043	\$514,343.80	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-17-G	2018 through 2043	\$1,475,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Sanitary Sewer, Water Main, Storm Sewer, Paving, Street Lights Improvement District No. BN-17-H	2018 through 2043	\$863,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Storm Sewer Lift Station Improvement District No. NN-15-A	2018 through 2043	\$1,641,308.62	Equal Principal and Interest Payments in each of the years 2019 through 2044
Lift Station 48 Expansion and Sewer Service Improvements District No. NR-16-A	2018 through 2043	\$652,106.94	Equal Principal and Interest Payments in each of the years 2019 through 2044

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>District Designation</b>	<b>Levy Years (inclusive)</b>	<b>Aggregate Principal Amount</b>	<b>Amounts and Payment Years</b>
PC Concrete Paving, Street Lights Improvement District No. PN-15-A	2018 through 2043	\$4,307,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Concrete Curb and Gutter, Asphalt Pavement, Street Lights Improvement District No. PN-15-J	2018 through 2043	\$1,831,818.75	Equal Principal and Interest Payments in each of the years 2019 through 2044
Asphalt Wear Course Improvement District No. PN-17-A	2018 through 2043	\$1,067,452.56	Equal Principal and Interest Payments in each of the years 2019 through 2044
Street Reconstruction Improvement District No. PR-17-A	2018 through 2043	\$9,854,500.00	Equal Principal and Interest Payments in each of the years 2019 through 2044
Mill and Overlay Improvement District No. PR-17-H	2018 through 2033	\$2,030,000.00	Equal Principal and Interest Payments in each of the years 2019 through 2034
Sanitary Sewer Force Main Improvement District No. UN-15-B	2018 through 2043	\$830,000	Equal Principal and Interest Payments in each of the years 2019 through 2044
Storm Sewer Repairs Improvement District No. UR-15-B	2018 through 2043	\$209,177.13	Equal Principal and Interest Payments in each of the years 2019 through 2044
<b>Total Principal Amount</b>		<b>\$43,352,734.55</b>	

Attachment B

FORM OF WARRANT

UNITED STATES OF AMERICA  
STATE OF NORTH DAKOTA  
COUNTY OF CASS

CITY OF FARGO

IMPROVEMENT WARRANT, SERIES 2018D  
IMPROVEMENT DISTRICT NO. \_\_\_\_\_

R-[ ]

INTEREST RATE

DATE OF ORIGINAL ISSUE

\_\_\_\_\_%

\_\_\_\_\_, 2018

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the City of Fargo, Cass County, North Dakota, (the "Issuer") acknowledges itself to be specially indebted and for value received promises to pay to the registered owner specified above or registered assigns, the principal amount of \$\_\_\_\_\_ in annual installments on May 1 in each of the years 20\_ through 20\_ but only from its \_\_\_\_\_ Fund, with interest thereon from the date hereof at the annual rate specified above, such interest payable on May 1 and November 1 in each year, commencing May 1, 2019, to the holder of record on the close of the 15th day (whether or not a business day) of the immediately preceding month. Both principal and interest are payable at the office of the City Auditor of the Issuer, in Fargo, North Dakota, in any coin or currency of the United States of America which on the respective dates of payment is legal tender for public and private debts.

This warrant is issued for the purpose of financing a portion of the cost of a necessary improvement benefiting the above-named District of the Issuer, and is issued pursuant to and in full conformity with the Constitution and laws of the State of North Dakota thereunto enabling, including Chapters 40-22 to 40-28 and Chapter 40-49 of the North Dakota Century Code, and amendatory and supplemental laws, and in anticipation of the collection of special assessments levied or to be levied and collected to pay for said improvement, which moneys are to be appropriated to the account and fund referred to above.

This warrant is subject to redemption and prepayment at the option of the Issuer at any time, at a price equal to the principal amount hereof and accrued interest, for the sole purpose of refunding the entire issue by the issuance of refunding improvement bonds of the Issuer pursuant to Chapter 40-27, North Dakota Century Code.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of North Dakota to be done, to exist, to happen and to be performed preliminary to and in the valid issuance of this warrant have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; that this warrant is duly issued to pay costs incurred and to be incurred in the making of a necessary improvement of special benefit to the above-named Improvement District, in anticipation of the collection of special assessments to be duly levied upon properties within said district, and of taxes to the extent determined by the governing body, which are irrevocably appropriated to the fund of the district in amounts sufficient to pay when due the principal of and interest on all warrants drawn thereon; that if the fund should at any time be insufficient to pay principal or interest due, the Issuer is also required by law to levy a tax upon all of the taxable property within its corporate limits for the payment of such deficiency, without limitation of rate or amount; and that the issuance of this warrant did not cause the special or general indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF the City of Fargo, North Dakota, by its governing body has caused this warrant to be executed in its behalf by the signature of the Mayor and countersigned by the City Auditor, and sealed with its official seal.

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Mayor

Countersigned:

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City Auditor

(S E A L)

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REGISTRATION

The City of Fargo, North Dakota, has registered the ownership of the within warrant, and of the interest payable thereon, on the books of the City maintained by its City Auditor at Fargo, North Dakota, in the name of the following owner:

City of Fargo, in trust for the owners of its Refunding Improvement Bonds, Series 2018D.

Dated as of the \_\_\_\_ day of July, 2018.

---

City Auditor



CERTIFICATE

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

I, Steven Sprague, the duly appointed City Auditor of the City of Fargo, North Dakota, do hereby certify that the preceding resolution attached hereto is a full, true, and correct copy of the RESOLUTION CREATING THE FUNDS OF IMPROVEMENT DISTRICTS, PROVIDING FOR AND APPROPRIATING SPECIAL ASSESSMENTS FOR THE SUPPORT AND MAINTENANCE OF SAID FUNDS, AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$43,500,000 IMPROVEMENT WARRANTS (SERIES 2018D) THEREON adopted by the governing body of the City of Fargo at the meeting held on July 11, 2018, and that such Resolution is now a part of the permanent records of the City of Fargo, North Dakota, as such records are filed in the office of the City Auditor.

Dated this \_\_\_\_ day of July, 2018.

\_\_\_\_\_  
City Auditor

(S E A L)

4811-9750-9478\5



**Dr. Timothy J. Mahoney, Mayor**

Fargo City Hall  
200 3rd Street North  
Fargo, ND 58102


Phone 701.241.1310 | Fax: 701.476.4136

[TMahoney@FargoND.gov](mailto:TMahoney@FargoND.gov)

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**MEMORANDUM**

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: MAYOR TIMOTHY J. MAHONEY** 

**DATE: JUNE 27, 2018**

**SUBJECT: APPOINTMENT OF DEPUTY MAYOR**

I am recommending that Commissioner Dave Piepkorn be appointed Deputy Mayor. Your favorable consideration of this request is greatly appreciated.

**RECOMMENDED MOTION:** Appoint Commissioner Dave Piepkorn as Deputy Mayor.

mm18deputymayorpiepkorn



**Dr. Timothy J. Mahoney, Mayor**

Fargo City Hall  
200 3rd Street North  
Fargo, ND 58102


Phone 701.241.1310 | Fax: 701.476.4136

[TMahoney@FargoND.gov](mailto:TMahoney@FargoND.gov)



**MEMORANDUM**

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: MAYOR TIMOTHY J. MAHONEY** 

**DATE: JUNE 27, 2018**

**SUBJECT: COMMISSION LIAISON ASSIGNMENTS**

After careful consideration and discussions with each of you, I am recommending Commission Liaison assignments outlined in the attachment.

Your favorable consideration of this recommendation will be greatly appreciated.

**RECOMMENDED MOTION:** To approve the Commission Liaison assignments as recommended by Mayor Mahoney and attached hereto.

Attachment  
mm18lia

# FARGO CITY LIAISON ASSIGNMENTS

	<u>GEHRIG</u>	<u>GRINDBERG</u>	<u>MAHONEY</u>	<u>PIEPKORN</u>	<u>STRAND</u>
DEPARTMENTS:	Enterprise/Utilities Fire Information Services	Planning	City Commission Finance Human Resources Operations Police	Engineering	Health Transit
COMMITTEES:	Diversion Authority (alternate) Liquor Control Metro COG	Diversion Authority Metro Area Transit Coordinating Board Metro COG Renaissance Zone	Ambulance Committee Cass County Planning Commission Community Development Diversion Authority GFMEDC Lake Agassiz Water Authority Position Evaluation Committee Tax Exempt Review Vector Control	Diversion Authority Fargodome Finance GFMEDC Lake Agassiz Water Authority (alternate) Liquor Control Metro COG Position Evaluation Renaissance Zone Tax Exempt Review	Community Development Diversion Authority (alternate) Metro COG Metro Area Transit Coordinating Board Food Systems Advisory Committee
STAFF APPOINTED COMMITTEES:	Utility Committee		Finance Committee Public Works Projects Evaluation Committee Utility Committee	Finance Committee	Traffic Tech Advisory
BOARD LIAISON:	Fargo Youth Initiative Library Red River Basin Board	Board of Adjustment Board of Appeals Civil Service Housing Authority		Airport Authority Auditorium Downtown Community Partnership Fargo Dome Authority Parking Red River Basin Board Special Assessment	Arts and Culture Board of Health Historic Preservation Human Relations Native American





**Dr. Timothy J. Mahoney, Mayor**

Fargo City Hall  
200 3rd Street North  
Fargo, ND 58102

Phone 701.241.1310 | Fax: 701.476.4136

[TMahoney@FargoND.gov](mailto:TMahoney@FargoND.gov)

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**MEMORANDUM**

**TO:** BOARD OF CITY COMMISSIONERS

**FROM:** EXECUTIVE ASSISTANT KEMBER ANDERSON *KA*

**DATE:** JUNE 27, 2018

**SUBJECT:** RESOLUTION RELATING TO CITY COMMISSION MEETINGS AND AGENDAS

Attached is a Resolution adopting rules and regulations relative to the operation of the agenda and the conduct of City Commission meetings. Please read the Resolution carefully and either amend it or confirm these are the rules and regulations we operate under.

**RECOMMENDED MOTION:** Adopt the Resolution relating to the operation of the City Commission agenda and conduct of City Commission meetings.

ka18agresm

**Resolution Adopting Rules and Regulations Relative to the Operation of the  
Agenda and Conduct of City Commission Meetings:**

WHEREAS, It is desirable that the transaction of City business be done in an orderly fashion; and

WHEREAS, The Board of City Commissioners of the City of Fargo deems it desirable and necessary to promulgate rules and regulations for the guidance of commissioners and citizens.

NOW, THEREFORE, BE IT RESOLVED By the Board of City Commissioners of the City of Fargo that the following rules and regulations relative to the operation of the agenda and the conduct of City Commission meetings IS HEREBY ADOPTED, superseding any and all former rules and regulations which have been adopted:

**I. AGENDA**

- A. There shall be one agenda prepared for each meeting.
- B. Any City Commissioner, City employee or citizen of the City may place an item or issue on the agenda.
- C. All agenda items or issues to be qualified for regular consideration must be submitted in clear, articulate and definite terms and must be communicated to the City Commission office prior to 12:00 noon on the Thursday preceding the meeting.
- D. Agenda items must be accompanied by a written explanation of the item. A "suggested" motion must be typed at the end of the communication which states the action being requested of the Board. If the communication is for information purposes only, there should be a statement to that effect at the beginning of the letter.
- E. Any correspondence or other supporting material for any item on the agenda which is intended to become a part of the public records of the City must be received in the City Commission office no later than 12:00 noon on the Thursday preceding the meeting. In the event such material is not submitted to the City Commission office as stated above, such material and the related agenda item shall be stricken and placed on the agenda for the next regular meeting.
- F. Any item or issue placed on the agenda may be removed or withdrawn only by the person who placed it there, or by his or her duly and properly authorized agent.
- G. Any items or issues which have not qualified for the regular agenda under the rules as stated above, or any new and timely issues which arise after preparation of the regular agenda may, with the consent of a majority of the City Commissioners who are present and voting, be considered as an extra item.
- H. Ordinances shall be sponsored by a member of the Board of City Commissioners or the City Commission as a whole. Any citizen or City employee desiring any ordinance change shall submit such request to a member of the Board of City Commissioners or to the Commission

as a whole. No ordinances shall be drafted by the City Attorney, except upon request of a member of the Board of City Commissioners or by the City Commission as a whole.

- I. The order of the agenda shall be as determined by the Executive Assistant to the Board of City Commissioners utilizing general guidelines as follows:
  1. Consent agenda at the beginning of the agenda. The consent agenda shall be non-controversial routine items as may be determined by the Executive Assistant.
  2. Non-consent agenda at the end of the agenda. Non-consent items shall be as determined by the Executive Assistant.
- J. The calling and conduct of special meetings shall be in accordance with ordinances of the City of Fargo and laws of the State of North Dakota.

## **II. RULES GOVERNING CONDUCT OF CITY COMMISSION MEETINGS**


- A. Meetings shall be conducted in accordance with Roberts Rules of Order, except that the principle of majority rule shall always prevail, and any such rule may be changed or suspended by a majority vote of the Board of City Commissioners.
- B. At each regular meeting, the first item of business shall be the consideration and approval of the agenda, including the deletion of any item which the Commission deems to be frivolous or repetitious and the addition of requested extra items.
- C. The Mayor or other presiding Commissioner will announce the item on the agenda. It is suggested the person who requested placement of the item on the agenda will then be given up to three (3) minutes to present any additional information not included in the letter. There will be opportunity for input after a motion is made and seconded. Proponents will be recognized first, then opponents. It is suggested persons wishing to speak will be allowed no more than three minutes each. Time for each side will be designated by the Chair. Additional time will be allowed only if Commissioners have questions or if there has been a majority vote to allow additional discussion. The item will be voted upon and no further discussion will be allowed.
- D. Each member of the Board of City Commissioners shall vote on every issue unless absent from the meeting or excused from voting. Any member wishing to be excused from voting, or who does not feel qualified to vote because of a conflict of interest, shall ask to be excused from voting and state the reasons therefore. The remaining Commissioners shall, by majority vote, either grant or deny such request to be excused. If the Commissioner making such request is excused, he or she shall be deemed to be disqualified and the abstention shall not be counted as an aye or nay. If the request is denied and the Commissioner refuses to vote, his or her vote shall be deemed to be the same as the majority of those voting.
- E. The Chairman of the meeting shall not refuse to recognize any member who wishes to make a motion or to be heard on a particular item.

- F. A member of the Board of City Commissioners voting with the minority on any issue may not move to reconsider that issue or place the matter on the agenda again until a minimum of 28 days has elapsed since the issue was last considered.
- G. In the event that any member of the Board of City Commissioners moves to reconsider an issue previously decided after formal hearing pursuant to published notice, the Board shall vote on the motion to reconsider, subject to the restrictions contained in rule F above. In the event the motion for reconsideration passes, the matter shall not be reconsidered until all persons appearing at the original hearing on the matter have been advised and offered an opportunity to appear and be heard again, or until notice of rehearing on the matter has been published in the official newspaper of the City.
- H. Any on duty police officer may be considered as a sergeant at arms for Commission meetings and may be summoned to maintain order by any member of the Board of City Commissioners at any time.



3800

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: KENT COSTIN, DIRECTOR OF FINANCE** 

**RE: STATE WATER COMMISSION COST REIMBURSEMENT APPROVAL**

**DATE: June 19, 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 \$521,819.

June 19, 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 #68 pursuant to the terms and conditions of House Bill 1020 for costs incurred from May 1, 2018 to May 31, 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 \$521,819.

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	\$184,376,948	\$1,043,639	50 %	\$521,819	\$59,101,233

Project Narrative, this request:


Project Number	Project Description
V01701	Land for Diversion Channel Phase 2
V01703	Easement for In-Town Levee Projects

We certify that \$78,689,391 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**  
**May 2018**

Account Number	Check Date	Check Number	Vendor Name	Transaction Amount	Description 1	Project Number	Project Description
790-7930-429.71-30	5/24/2018	287321	CASS COUNTY JOINT WATER RESOURCE DI	707,530.88	THE TITLE COMPANY - OIN 900 - Karen Culberg Rechtschaffen Trust	V01701	ND LAND PURCH-OUT OF TOWN
			<b>Total LERRDS - North Dakota - Land</b>	<b>707,530.88</b>			
790-7930-429.71-31	5/24/2018	287321	CASS COUNTY JOINT WATER RESOURCE DI	336,108.00	THE TITLE COMPANY - OIN 9769 - Fargo Housing Authority	V01703	ND LAND PURCH - IN TOWN
			<b>Total LERRDS - North Dakota - Land/Easements</b>	<b>336,108.00</b>			
<b>Total Expense for Period</b>				<b>1,043,638.88</b>			

386

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: KENT COSTIN, DIRECTOR OF FINANCE** 

**RE: STATE WATER COMMISSION COST REIMBURSEMENT APPROVAL**

**DATE: June 19, 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 May 2018.

**Suggested Motion:**

Approve a State Water Commission request for cost reimbursement for Fargo-Moorhead Metropolitan Area Flood Risk Management Project costs totaling \$567,145.

June 19, 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 #69 pursuant to the terms and conditions of House Bill 1020 for costs incurred on the OHB Levee project from May 1, 2018 to May 31, 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 \$567,145.

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	\$184,898,767	\$1,134,289	50%	\$567,145	\$58,534,088

**Project Narrative, this request:**

Project Number	Project Description
V02411	Residential relocation assistance for homeowners that will be displaced by the O/H/B ring levee project
V04401	Pay Application #6 for WP 43CD – OHB Ring Levee Phases C and D

We certify that \$78,689,391 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**  
**May 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	5/31/2018	287544	MEYER CONTRACTING INC	(50,847.42)	OHB RING LEVEE	V04401	OHB RING LEVEE PHASES C&D
			<b>Total Retainage</b>	<b>(50,847.42)</b>			
790-7930-429.67-11	5/24/2018	287321	CASS COUNTY JOINT WATER RESOURCE DI	13,849.44	THE TITLE COMPANY	V02411	OXBOW MOU-RESIDENT RLCTN
790-7930-429.67-11	5/21/2018	18748	CITY OF FARGO-AUDITORS OFFICE	(795.42)	REFUND FOR OVER ESCROW	V02411	OXBOW MOU-RESIDENT RLCTN
			<b>Total LERRDS - North Dakota - Residential Buildings</b>	<b>13,054.02</b>			
790-7952-429.73-52	5/31/2018	287544	MEYER CONTRACTING INC	183,991.16	OHB RING LEVEE	V04401	OHB RING LEVEE PHASES C&D
790-7952-429.73-52	5/31/2018	287544	MEYER CONTRACTING INC	988,091.32	OHB RING LEVEE	V04401	OHB RING LEVEE PHASES C&D
			<b>Total O/H/B Construction - Flood Control</b>	<b>1,172,082.48</b>			
<b>Total Expense for Period</b>				<b>1,134,289.08</b>			



**PLANNING AND DEVELOPMENT****200 Third Street North  
Fargo, North Dakota 58102****Phone: (701) 241-1474****Fax: (701) 241-1526****E-Mail: [planning@FargoND.gov](mailto:planning@FargoND.gov)****[www.FargoND.gov](http://www.FargoND.gov)**

(39)

**MEMORANDUM**

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: JIM GILMOUR, STRATEGIC PLANNING DIRECTOR** 

**DATE: JUNE 27, 2018**

**SUBJECT: REQUEST FOR PILOT FINANCING**

The Planning and Development Department has received a request for assistance from the Payment In Lieu of Taxes (PILOT) Program, for a proposed project to be located at 914 and 918 15th Street North near North Dakota State University (NDSU). The request is from James Pladson and Austin Morris representing Dakota Beach Capital, LLC. Two older houses are now located on this property. The proposed project would be redevelopment of the site and the construction of a 16-unit apartment building with interior and exterior parking.

A copy of the request is attached for your information. Fargo PILOT policy calls for the City Commission to review the request, to determine if staff should proceed to work with the developer on the project and forward the PILOT application to the City financial advisors for review.

I have attached a map showing the project location and the UMU PILOT Policy.

**RECOMMENDED MOTION:** Authorize staff to submit the Dakota Beach Capital proposal to the City's financial advisors for review, and draft a development agreement for the redevelopment of property at 914 and 918 15th Street North.

Attachment

CC: Ben Hushka



## 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 <u>Dakota Beach Capital LLC</u>
2.	Address of project <u>914 and 918 15th ST N.</u>
	City <u>Fargo</u> County <u>Cass</u>
3.	Mailing address of project operator <u>2315 University Dr N Ste L2</u>
	City <u>Fargo</u> State <u>ND</u> Zip <u>58102</u>
4.	Type of ownership of project
	<input type="checkbox"/> Partnership <input type="checkbox"/> Subchapter S corporation <input type="checkbox"/> Individual proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input checked="" type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. <u>[REDACTED]</u>
6.	North Dakota Sales and Use Tax Permit No. <u>NA</u>
7.	If a corporation, specify the state and date of incorporation <u>ND 06/24/2010</u>
8.	Name and title of individual to contact <u>James Pladson and/or Austin Morris</u>
	Mailing address <u>2315 University Dr N Ste L2</u> <u>1 2nd St N Suite 102</u>
	City, State, Zip <u>Fargo, ND 58102</u> Phone No. <u>701-238-5663</u>

### Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.
	<input type="checkbox"/> <b>Property Tax Exemption</b> <input checked="" type="checkbox"/> <b>Payments In Lieu of Taxes</b>
	<u>          </u> Number of years <u>2019</u> Beginning year <u>2029</u> Ending year <u>          </u> Percent of exemption <u>          </u> 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:
	<input checked="" type="checkbox"/> New business project <input type="checkbox"/> Expansion of a existing business project

## Description of Project Property

## 11. Legal description of project real property

914 and 918 15th St. North, 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 9/1/18

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

The project will be a 16 unit apartment with some tuck under garages and exterior parking. Exterior finishes will be brick/stone and siding. Interior will be mid to upper apartment range finishes including quarts counter tops.

c. Projected number of construction employees during the project construction 100

14. Approximate date of commencement of this project's operations 9/1/18

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

a. Land ..... \$ 32,600

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

c. Newly constructed buildings and structures when completed ..... \$ 1,584,000

d. Total ..... \$ 1,616,820

e. 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) ..... 0

b. Eligible existing buildings and structures ..... \$ 0

c. Newly constructed buildings and structures when completed ..... \$ 79,200

d. Total taxable valuation of property eligible for exemption (Add lines b and c) ..... \$ 79,200

e. Enter the consolidated mill rate for the appropriate taxing district ..... 285.49

f. Annual amount of the tax exemption (Line d multiplied by line e) ..... \$ 22,610

## 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).

To develop, manage and lease the 16 unit apartment near the NDSU campus.

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

NA

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

	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
Year (12 mo. periods)	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	<u>181,000</u>	<u>182,000</u>	<u>183,000</u>	<u>184,000</u>	<u>185,000</u>
Annual expense	<u>158,000</u>	<u>158,500</u>	<u>159,000</u>	<u>159,500</u>	<u>160,000</u>
Net income	<u>23,000</u>	<u>23,500</u>	<u>24,000</u>	<u>24,500</u>	<u>25,000</u>

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

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

(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).  
~~Currently operating rental properties at this location and others locations in the City of Fargo.~~

**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  
\_\_\_\_\_  
\_\_\_\_\_  
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, James Pladson, 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

Title

Date





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

914 and 916 15th St.

1:4,514

6/27/2018 12:49:20 PM

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

CITY OF  
**Fargo**



## I. POLICY PURPOSE

For the purposes of this document, the term "City" shall include the Fargo City Commission.

The purpose of this policy is to establish the City of Fargo's position relating to the use of Payment in Lieu of Taxes (PILOT) for private development above and beyond the requirements and limitations set forth by State Law. This policy shall be used as a guide in the processing and review of applications requesting Payment in Lieu of Taxes. The fundamental purpose is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance.

The City of Fargo is granted the power to utilize PILOT by the TAX EXEMPTIONS FOR NEW AND EXPANDING BUSINESSES, as amended. It is the intent of the City to provide the minimum amount of tax exemptions at the shortest term required for the project to proceed. The City reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of PILOT to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

## II. OBJECTIVES OF PILOT program in the University Mixed Use Zone

As a matter of adopted policy, the City will consider using PILOT to assist private development projects to achieve one or more of the following objectives:

- To create opportunities for affordable housing.
- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.
- To assist developers enough to achieve development on sites which would not otherwise be developed without PILOT assistance.
- To remove blight and/or encourage the development of new housing that is of high quality and provides housing in close proximity to North Dakota State University.
- To offset increased costs of redevelopment (i.e. contaminated site cleanup, infrastructure needs, and higher land costs) over and above the costs normally incurred in development.
- To contribute to the implementation of other public policies, as adopted by the City from time to time, such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.

### III. POLICIES FOR THE USE OF PILOT - University Area Housing

#### Policy #1

The property must be zoned University Mixed Use.

#### Policy #2

The maximum PILOT incentive will be a 100% exemption for the first 5 years and a 50% exemption for an additional 5 years.

#### Policy #3

To the extent required by state, federal or local law or regulations, a relocation plan should be provided by the developer. Relocation payments to tenants of businesses or residential uses must be made. These relocation payments should follow state/federal guidelines, as applicable, for assistance (E.g. NDCC Ch. 54-01.1 and USC).

#### Policy #4

The amount or value of the PILOT tax exemption will be limited to the extraordinary costs of development, and the extraordinary costs are limited to following costs. The amount of the assistance is defined as the estimated present value of the future PILOT tax exemptions, which would include an allowance for interest.

1. The costs of land acquisition, subject to the limits outlined in Policy #5.
2. Relocation of existing tenants.
3. The costs of demolition, including the removal of building foundations, parking lots, and the removal and replacement of unsuitable soil.
4. Public Improvements that are in the public right-of-way such as sidewalks, driveway approaches, lighting, and connections to the water, sanitary sewer, and storm water systems.
5. On site storm water retention including the cost of excavation, underground storm water lines, or underground storage facilities. It does not include water collection systems such as parking lots, sidewalks, or curb/gutters.
6. Architectural and engineering costs are limited to those necessary services to implement other activities allowed by this policy. Developer fees and legal costs are not permitted.
7. The required city fees and the estimated costs of interest from the time the costs are paid by the developer and the next February 15 date after property tax statements are mailed.



#### Policy #5

Land acquisition assistance should not encourage the acquisition of land at excessive prices, the assistance should not be the primary extraordinary costs, and the assistance should not reduce the cost below the base value of the land. Therefore, Land acquisition costs are limited to the lowest of the following amounts.

1. The total acquisition cost allowed by the PILOT program may not be more than 150% of the assessor's market value for the property for property tax purposes.
2. The cost of land acquisition allowed for by the PILOT program must be less than the total of other (non-property acquisitions costs) allowed in Policy #4.
3. The cost of land acquisition allowed for by the PILOT program must be less than the difference between the actual purchase price paid by the developer and the assessor's market value for the land (as opposed to land and buildings).

#### Policy #6

The estimated value of the PILOT assistance should be limited to a percentage up to 15% of hard capital costs of development including the costs of acquisition. In other words, the tax exemption assistance will be equal to or less than 15% of hard construction costs plus the land acquisition costs, excluding the costs of professional fees, developer fees, furniture and fixtures, interest, profit, and other soft costs. In addition, Developer must provide at least 10% of total capital costs as Developer's equity in the project.

#### Policy #7

PILOT assistance for UMU projects should not be viewed by the developer as an entitlement. When undertaking any PILOT project the due diligence procedures in determining the feasibility and level of public assistance must be reviewed by the City's financial consultant in conjunction with the City's staff. The financial consultant must use accepted public financing procedures in determining project feasibility and levels of public assistance. Particularly when public assistance includes substantial reimbursement to the developer of costs of acquisition or land write-down amounts, review of the level of public assistance may include an estimate of the return on investment anticipated by the project and analysis as to whether the expected return on investment, including the public assistance, is within reason.

#### Policy #8

When undertaking a PILOT project a non-refundable administrative fee equal to 5% of the total value of the estimated tax exemption must be paid by the developer after final approval by the City Commission and prior to the final approval of the development agreement. These fees are to reimburse the City for costs expended by staff and consultants to determine the feasibility, level of public assistance and the preliminary costs of project development by the City. Other City costs such as engineering, bond carrying costs, and annual special assessment administration will be in addition to this administrative fee if warranted. To the extent that PILOT assistance exceeds \$2 million or more, the

administrative fee on said excess may be negotiated to a sum less than 5%, as may be appropriate. A non-refundable deposit of \$5,000 shall be paid to the City along with an initial application for a PILOT project. The City, upon approval of the Finance Committee, may require additional sums to be deposited, from time to time, to defray such costs initially borne by the City. The \$5,000 deposit and any other additional sums paid to the City may be offset against and accredited toward 5% administrative fee.

#### Policy #9

Applications for PILOT Assistance are to be submitted to the Department of Planning and Development and the City Assessor. The application must include a description of the project and an estimate of the level of assistance needed to proceed with the project. [A checklist and application form are attached.] The application will be reviewed by the appropriate Committee and the City Commission to determine if city staff, city financial advisors, and city attorney should proceed with a review of the project pro-forma, and draft of a developer's agreement.

#### Policy #10

The development should be compatible with long term City redevelopment plans, and create a high quality development that will have a positive impact on the tax base and the surrounding area. The developers' agreement should include design standards to insure that the development will be compatible with the long term plans for the area.

#### Policy #11

Interest rates allowed to be recouped as eligible costs shall be one percent (1%) over the municipal bond indexed rate for taxable municipal bonds or over such indexed rate for tax-exempt municipal bonds, as appropriate, as identified by the City Finance Director, with consultation with the City's financial advisor as may be needed.

### IV. PROJECT QUALIFICATIONS

All University Mixed Use Zoning PILOT projects considered by the City of Fargo must meet each of the following requirements:

- a. To be eligible, a project shall result in a minimum increase of \$1 million in property valuation, or, if not, the developer shall establish that other goals and objectives of the project warrant approval.
- b. The project shall meet at least one of the objectives set forth in Section II and satisfy all the provisions set forth in Section III of this document.
- c. The developer shall demonstrate that the project is not financially feasible but for the use of the PILOT program. The projected internal rate of return as determined by the City's financial advisor based upon information provided by developer must be no more than a percentage that provides a reasonable rate of return of a particular project.
- d. The project must be consistent with the City's Comprehensive Plan, Land Use Plan, and Zoning Ordinances.

## V. APPLICATION PROCESS

1. Applicant submits letter requesting PILOT support for a project. The letter shall describe the project and shall be submitted to the City Commission for preliminary review and direction authorizing the staff to move forward with the application process.
2. Applicant submits the completed application along with all application fees. (See Policy #8 - \$5,000 non-refundable deposit.)
3. City staff reviews the application and completes the Application Review Worksheet. The application and supporting documentation will be submitted to the City's financial advisor for due diligence consideration. At least three (3) weeks should be allowed for due diligence review and consideration [upon submittal of a complete and approved application.]

A. As part of the application review, the Director of Planning and Development shall be authorized to inquire as to the character, reputation, fitness of the applicant to engage in the project and to bear the responsibilities entailed therein and any other pertinent information. Such inquiry may include background checks on the applicant and principles of the applicant, as the case may be.

B. With respect to certain proprietary, commercial and financial information that is submitted as part of the application and review process, said information may be exempt from the North Dakota Open Records law, Chapter 44-04, N.D.C.C., and to the extent that N.D.C.C. §44-04-18.4 allows, it is the City's intention to maintain confidentiality of such information when requested by the applicant. Section 44-04-18.4, N.D.C.C., provides:

"Confidentiality of trade secret, proprietary, commercial, and financial information.

1. Trade secret, proprietary, commercial, and financial information is confidential if it is of a privileged nature and it has not been previously publicly disclosed.

2. "Trade secret" includes:

a. A computer software program and components of a computer software program which are subject to a copyright or a patent, and any formula, pattern, compilation, program, device, method, technique, or process supplied to any state agency, institution, department, or board which is the subject of efforts by the supplying person or organization to maintain its secrecy and that may derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons or organizations that might obtain economic value from its disclosure or use; and

b. A discovery or innovation which is subject to a patent or a copyright, and any formula, pattern, compilation, program, device, method, technique, or process supplied to or prepared by any public entity which is the subject of efforts by the supplying or preparing entity,

person, business, or industry to maintain its secrecy and that may derive independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, any person who might obtain economic value from its disclosure or use.

3. "Proprietary information" includes information received from a sponsor of research conducted by a public entity, as well as any discovery or innovation generated by that research, technical, financial, and marketing information and other documents related to the commercialization, and any other discovery or innovation produced by the public entity which an employee or the entity intends to commercialize.

4. This section does not limit or otherwise affect a record pertaining to any rule of the State Department of Health or to any record pertaining to the application for a permit or license necessary to do business or to expand business operations within this state, except as otherwise provided by law.

5. Unless made confidential under subsection 1, the following economic development records and information are exempt:

a. Records and information pertaining to a prospective location of a business or industry, including the identity, nature, and location of the business or industry, when no previous public disclosure has been made by the business or industry of the interest or intent of the business or industry to locate in, relocate within, or expand within this state. This exemption does not include records pertaining to the application for permits or licenses necessary to do business or to expand business operations within this state, except as otherwise provided by law.

b. Trade secrets and commercial or financial information received from a person, business, or industry that is interested in or is applying for or receiving financing or technical assistance, or other forms of business assistance.

6. Unless made confidential under subsection 1 or made exempt under subsection 5, bids or proposals received by a public entity in response to a request for proposals by the public entity are exempt until such time all of the proposals have been received and opened by the public entity or until such time that all oral presentations regarding the proposals, if any, have been heard by the public entity. Records included with any bid or proposal naming and generally describing the entity submitting the proposal shall be open."

In advance of the submission to the City of such confidential records or information, the City and Applicant will make appropriate arrangements for the handling of such information and records to protect the confidentiality thereof.

4. Results of the Worksheet are submitted to the appropriate Finance Committee for its recommendation and City Commission for preliminary approval of the proposal.

5. If preliminary approval is granted, the renewal plan or development plan, as the case may be, along with all necessary notices, resolutions and certificates are prepared by City staff and/or consultants.

6. Notices are published as required.

7. Public hearing(s) on the proposed project, as may be required by law, are held.

8. The City Commission grants final approval or denial of the proposal.