FARGO CITY COMMISSION AGENDA
Monday, October 26, 2026 – 4:00 P.M.

Executive Session at 4:00 P.M.

Roll Call.

PLEASE NOTE: The Board of City Commissioners will convene in the City Commission Chambers at 4:00 p.m. and retire into Executive Session in the Red River Room for the purpose of receiving its attorney's advice regarding pending litigation in Case Number 09-2026-CV-03405 (titled "James Ingstad, et al. v. City of Fargo"), including the legal risks, strengths and weaknesses of the City's position, and to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator regarding the litigation. Discussing these matters in an open meeting would have an adverse fiscal effect on the bargaining and/or litigating position of the City. Accordingly, an Executive Session for these purposes is authorized pursuant to North Dakota Century Code § 44-04-19.1, subsections 2, 5 and 9 and North Dakota Century Code § 44-04-19.2, subsection 1.

Regular Meeting at 5:00 P.M.

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at 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 FargoND.gov/CityCommission.

A. Pledge of Allegiance.

B. Roll Call.

C. Approve Order of Agenda.

D. Minutes (Regular Meeting, October 12, 2026).

CONSENT AGENDA:

1. Government Relations and Legislative Advocacy Proposal from Effertz Law, PLLC and appointment of Terry Effertz as a Special Assistant City Attorney to represent the City of Fargo.

2. Applications for property tax exemptions for improvements made to buildings.

3. Receive and file an Ordinance Enacting Section 8-1027 of Article 8-10 of Chapter 8 of the Fargo Municipal Code Relating to Winter Parking Restrictions and an Ordinance Amending Section 1-0305 of Article 1-03 of Chapter 1 of the Fargo Municipal Code Relating to Classification of Ordinance Violations.

4. 1st reading of an Ordinance Amending Section 8-2002 of Article 8-20 of Chapter 8 of the Fargo Municipal Code Relating to Operation of Motorized Scooters-Regulations.

5. 1st reading of an Ordinance Amending Section 8-0101 of Article 8-01 of Chapter 8 of the Fargo Municipal Code Relating to Definitions.

6. 2nd reading, waive reading and final adoption of an Ordinance Rezoning Certain Parcels of Land Lying in Urban Plains Medical Park Third Addition to the City of Fargo, Cass County, North Dakota; 1st reading 10/12/26.

7. 2nd reading, waive reading and final adoption of an Ordinance Rezoning Certain Parcels of Land Lying in Village West Fifth Addition to the City of Fargo, Cass County, North Dakota; 1st reading, 10/12/26.

8. Termination of contract with J.D. Kraemer Enterprises, LLC for Water Service Replacement Project 2026-08 (WA2511).

9. Games of Chance applications.

10. Consent to Construction Agreement with Christianson Properties, LLC for property located at 3150 36th Street South.

11. Change Order No. 1 for a time extension to the substantial and final completion dates of 10/27/26 and 11/12/26 for Improvement District No. BN-26-B1.

12. Final Balancing Change Order No. 2 in the amount of $0.00 for Project No. UR-24-I1.

13. Negative Final Balancing Change Order No. 1 in the amount of -$87,937.63 for Project No. TM-26-C1.

14. Bid award to Key Contracting Inc. in the amount of $298,750.00 for Project No. UR-26-H1.

15. General and electrical contracts for FARGODOME relighting and concourse signage project (ITB26262).

16. Items from FAHR meeting:
    a. Purchase of Service Agreement with ND Department of Health and Human Services, Behavioral Health Division No. 810-15190.
    b. Grant award from ND Department of Health and Human Services No. G25.892 CFDA: 10.557.
    c. Contract Agreement with AdShark for media campaign for tobacco education (EX26291).
    d. Request from Fire Department to overfill the upcoming recruit academy by one firefighter position to help maintain adequate staffing levels and account for potential attrition during the recruitment and training process.
    e. ND One Call budget to respective departments provided in budget adjustment.
    f. Grant award from ND Department of Health and Human Services No. G25.879 CFDA: 93.991.

17. Receive and file the Canvass of Votes for the October 6, 2026 Special Election.

18. Agreement with Ransom County Health Department for Family Planning Services.

19. Resolution approving Plat of Horizon Second Addition.

20. Resolution approving Plat of RWA Third Addition.

21. Lease with Option to Purchase Agreement with CapFirst Equipment Finance, Inc. for one service body crane from Bert's Truck Equipment utilizing Sourcewell Contract No. 091125EEC in the amount of $119,965.10 with a six-year municipal lease (PBC26313).

22. Second amendment to contract with Ambassador Cleaning for Ground Transportation Center and Metro Transit Garage custodial services.

23. Bills.

REGULAR AGENDA (Public Hearings at 5:05 p.m.):

24. **PUBLIC HEARING** – Application to transfer the Class "ABH" Alcoholic Beverage License from Fargo Doublewood Inn LLP d/b/a Ramada Fargo to GHM Fargo Holiday Co. LLC d/b/a Ramada Fargo; continued from the 9/28/26 Regular Meeting.

25. **PUBLIC HEARING** – Application for an ownership transfer of the Class "A" Alcoholic Beverage License for Red Lobster Hospitality LLC d/b/a Red Lobster #309 located at 4215 13th Avenue South; continued from the 8/31/26 and 9/28/26 Regular Meetings.

26. Adopt the Commercial Redevelopment PILOT Incentive Policy.
    a. Proposed amendment to the Commercial Redevelopment PILOT Incentive Policy.

27. **PUBLIC HEARING** – Application filed by COVE Living LLC for a Payment in Lieu of Tax Exemption (PILOT) for a multifamily housing and commercial space project to be located at 300 45th Street South.

28. 2027 Engineering Capital Improvement Plan (CIP), 2028 Core Neighborhood Reconstruction Projects and 2028 Federal Aid Projects.

29. Recommendation for appointment of the Assistant City Administrator.

30. Liaison Commissioner assignment updates.

31. **PUBLIC COMMENTS (2.5 minutes will be offered for comment with a maximum of 30 minutes total for all public comments. Individuals who would like to address the Commission, whether virtually or in person, must sign-up here).**

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

Minutes are available on the City of Fargo web site at FargoND.gov/CityCommission.

THE CITY OF Fargo FAR MORE | AUDITOR'S OFFICE

AUDITOR'S OFFICE
Fargo City Hall
225 4th Street North
PO Box 2471
Fargo, ND 58108
Phone: 701.241.1301
FargoND.gov

MEMORANDUM

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TO: Board of City Commissioners

FROM: Angie Bear, City Clerk & Deputy City Auditor

SUBJECT: Liquor License Application – Ramada

DATE: September 28, 2026

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

License Class:	ABH – Hotel, full service, on/off sale, bar allowed, no food sales required
Business Name:	GHM Fargo Holding Co. LLC d/b/a Ramada Fargo
Location:	3333 13th Avenue South
Applicants:	Preston Phillips, Matthew Mueller, Sean Foss and Todd Bannie

This application is for the transfer of owners of a Class ABH liquor license. This license was issued previously to Fargo Doublewood Inn LLP and will be transferring owners to GHM Fargo Holding Co. LLC; GM is staying the same.

No concerns were found in the background check, and it was approved by the Auditor's Office, Police Department & Liquor Control Board, for recommendation of the license. The complete application is available for review in the Auditor's Office.

Recommended Motion:
Move to approve the ownership transfer of a class "ABH" license from Fargo Doublewood Inn LLP d/b/a Ramada Fargo to GHM Fargo Holding Co. LLC d/b/a Ramada Fargo.

Docusign Envelope ID: A7E72480-6399-44F3-A88A-83243429E1D7

New Owners

TRANSFER Application for an Alcoholic Beverage License

Legal Company Name: GHM Fargo Holding Co. LLC

(Must match State of North Dakota registration name)

DBA Name: Ramada Fargo

License Transferred From: Fargo Doublewood Inn LLP

****Applicant must include letter from current license holder approving transfer of license****

Is the establishment applying for (or has) a food license under the same name? Yes X No _____

Business location address: 3333 13th Ave S Fargo, ND 58103

Malling address: _____

Business E-mail address: jlamar@roihospitality.com

Local Manager E-mail address: jlamar@roihospitality.com

Best Contact Phone number: (701) 429-4163

Anticipated Date of Opening: Sold to new ownership 01-01-2026, GM remains the same

Please contact the Auditor's Office at 701-241-1301 or 241-8108 to determine the appropriate License Classification Type that would fit your business model.

The following section to be completed by City Staff:

Date Received: _____ Class of License: _____

Investigations Fee Paid ($250) _____Yes _____No Date Paid: _____ Check/CC # _____

Police Department review completed by: _____ Date: _____

(Attached recommendation report):

_____ Approval Recommendation _____ Denial Recommendation

_____ _____

Chief of Police Date

THE CITY OF Fargo FAR MORE | AUDITOR'S OFFICE

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MEMORANDUM

25

TO: Board of City Commissioners

FROM: Angie Bear, City Clerk & Deputy City Auditor

SUBJECT: Liquor License Application – Red Lobster

DATE: September 28, 2026

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

License Class:	A –Full service, on sale only, bar allowed, no food sales required
Business Name:	Red Lobster Hospitality LLC d/b/a Red Lobster #03309
Location:	4215 13th Avenue South
Applicants:	Damola Adamolekun, Susan Pavel, Tonya Heron, & Joyce Leonardi

This application is for the transfer of owners of a Class A liquor license. This is an ownership transfer only. New officers were appointed to this location. No other changes.

No concerns were found in the background check, and it was approved by the Auditor's Office, Police Department & Liquor Control Board, for recommendation of the license. The complete application is available for review in the Auditor's Office.

Recommended Motion:
Move to approve the ownership only transfer of a class "A" license to Red Lobster Hospitality LLC d/b/a Red Lobster #03309, located at 4215 13th Avenue South.

New officers

TRANSFER Application for an Alcoholic Beverage License

Legal Company Name: Red Lobster Hospitality LLC

(Must match State of North Dakota registration name)

DBA Name: Red Lobster #0309

License Transferred From: No license transferred, only a change of officers

****Applicant must include letter from current license holder approving transfer of license****

Is the establishment applying for (or has) a food license under the same name? Yes X No _____

Business location address: 4215 13th Ave S, Fargo, ND 58503

Mailing address: 450 S Orange Ave, Ste 800, Orlando, FL 32801-3344

Business E-mail address: RLLicensing@redlobster.com

Local Manager E-mail address: dbond@redlobster.com

Best Contact Phone number: (407) 734-9574

Anticipated Date of Opening: The business is already open. This application is only to report a change in officers

Please contact the Auditor's Office at 701-241-1301 or 241-8108 to determine the appropriate License Classification Type that would fit your business model.

The following section to be completed by City Staff:

Date Received: 6/26/25 Class of License: A-6

Investigations Fee Paid ($250) X Yes _____ No Date Paid: _____ Check/CC # 33276

Police Department review completed by: _____ Date: _____

(Attached recommendation report):

_____ Approval Recommendation _____ Denial Recommendation

_____ _____

Chief of Police Date

THE CITY OF Fargo FAR MORE

Planning & Development Department
225 4th Street North
Fargo, ND 58102

MEMORANDUM

26.

TO: **City Commission**

FROM: **Nicole Crutchfield, Director of Planning & Development**

DATE: **September 24, 2026**
UPDATE: **October 20, 2026**

SUBJECT: **Commercial Redevelopment PILOT Incentive**

Update: This item was initially reviewed at the September 28, 2026 City Commission meeting. At that meeting, the City Commission requested a joint Economic Development Incentives Committee (EDIC) and City Commission informational meeting, which was held on October 15, 2026.

At the October 15th meeting, the City Commission and EDIC members discussed process updates, reporting requirements and metrics, as well as desired outcomes of a commercial redevelopment policy. Suggestions and future considerations were discussed but concluding outcomes were not confirmed at this time.

Background Development (previously introduced):
In Fall of 2025 and in Spring 2026, Jim Gilmour, as the Director of Strategic Planning brought forward a revision to an incentive policy that would encourage redevelopment of vacant and underutilized commercial buildings. EDIC supported this policy but the previous City Commission deferred action until after the June 2026 election so that the new City Commission could weigh in on the new policy. The previous commissioners were also cognizant that the Land Development Code (LDC) updates were still in the development stages.

Staff brought forward the draft commercial redevelopment policy to EDIC for their re-review at the September 22, 2026 meeting. EDIC unanimously accepted the draft policy and recommended adoption by the City Commission.

This policy development is being pursued as a mechanism to support long range planning goals as an interim step while the LDC updates is in process. The Fargo Growth Plan 2024 encourages more infill development and rehabilitating buildings. Identifying geographic growth centers for infill development is an implementation strategy (pages 94 and 99) highlighted in the plan. The implementation plan suggests targeting and consolidating resources for greater impact in these Growth Centers (page 118).

The policy also considers the findings of the Regional Housing Study and goals related to incenting housing of all types. The Regional Housing Study quantifies the housing shortage that exists in

the metro area and challenges the metro area to promote housing in order to keep up with job growth.

Attached is the draft policy, which would be incorporated as an amendment into the Economic Development Incentives Policy as item 3.E. This document can be found on the City's website at: https://download.fargond.gov/1/economic_development_incentives_policies.pdf

Suggested Motion:
Adopt the Commercial Redevelopment PILOT Incentive policy as recommended by EDIC.

3E. Commercial Redevelopment

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

- Higher value and higher density buildings – Evaluate the increase in value per square foot of the site and the increase in the floor area ratio of the site. The value of the per square foot of the city and the floor area ration of the site should exceed the amounts in other commercial areas.
- Opportunities for economic development – Does the redeveloped site have the potential to attract primary sector businesses and startup businesses? Consider the availability of similar space and the provision of supportive services.
- Mixed use developments with shared parking – Does the site have multiple land uses that will allow for shared parking? Consider if the number of shared parking spaces to be provided allows the number of parking spaces to be below what is provided on other commercial sites.
- Desirable land uses – The proposed land use should be consistent with the Land Development Code and compatible with adjacent land uses.
- Consistent with City Plans – The land use must be consistent with plans approved by the City.
- Improved design and public amenities – The design and form of the building should be of a higher standard than required and/or include public amenities.

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

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MEMORANDUM

TO: **BOARD OF CITY COMMISSIONERS**

FROM: **MAYOR JOSH BOSCHEE** JB

DATE: **OCTOBER 21, 2026**

SUBJECT: **COMMERCIAL REDEVELOPMENT PILOT POLICY**

Attached is my proposed amended version of the Commercial Redevelopment PILOT Policy, incorporating recommendations from the Economic Development Incentive Committee (EDIC). I believe the proposed amendment addresses several concerns raised during our October 15, 2026, Joint Informational Meeting with EDIC members.

The proposed amendment includes:

1) Establishing geographic limitations to ensure alignment with the 2024 Growth Plan

2) Introducing an inclusionary housing component intended to benefit low-income renters in alignment with commonly used metrics for US Housing and Urban Development programs

3) Increasing housing density by requiring a minimum of doubling the number of existing housing units, consistent with the 2024 Growth Plan

Attached, please find the following for your reference:

1) Boschee proposed amended version of the Commercial Redevelopment PILOT Policy

2) 2026 HUD Income Limits by Household for the Fargo MSA (metropolitan statistical area)

3E. Commercial Redevelopment

Redline: underlining indicates additions; strikethrough indicates deletions.

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

Eligible projects must be located entirely within the area bounded by 32nd Avenue North on the north, Interstate 94 on the south, the western city limits of Fargo on the west, and the Red River on the east.

Projects must include housing units, and at least 5% of the total housing units must be affordable to and reserved for households with incomes at or below 80% of area median income (AMI), adjusted for household size at the time of application. This affordable housing requirement must remain in effect for as long as the PILOT incentive is being utilized.

Projects must increase the number of housing units on the project site by at least 100% compared with the number that existed immediately before redevelopment. The completed project must therefore contain at least twice the previously existing number of housing units. Projects on sites with no previously existing housing units must include new housing units.

Projects meeting these requirements should create new development that has some of the following characteristics.

- Higher value and higher density buildings – Evaluate the increase in value per square foot of the site and the increase in the floor area ratio of the site. The value of the per square foot of the city and the floor area ration of the site should exceed the amounts in other commercial areas.
- Opportunities for economic development – Does the redeveloped site have the potential to attract primary sector businesses and startup businesses? Consider the availability of similar space and the provision of supportive services.
- Mixed use developments with shared parking – Does the site have multiple land uses that will allow for shared parking? Consider if the number of shared parking spaces to be provided allows the number of parking spaces to be below what is provided on other commercial sites.
- Desirable land uses – The proposed land use should be consistent with the Land Development Code and compatible with adjacent land uses.
- Consistent with City Plans – The land use must be consistent with plans approved by the City.
- Improved design and public amenities – The design and form of the building should be of a higher standard than required and/or include public amenities.

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

FY 2026 Income Limits Summary

FY 2026 Income Limit Area	Median Family Income	FY 2026 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Fargo, ND-MN MSA	$115,200	Very Low (50%) Income Limits ($)	$40,350	$46,100	$51,850	**$57,600**	$62,250	$66,850	$71,450	$76,050
		Extremely Low Income Limits ($)*	$24,200	$27,650	$31,100	**$34,550**	$38,680	$44,360	$50,040	$55,720
		Low (80%) Income Limits ($)	$64,550	$73,750	$82,950	**$92,150**	$99,550	$106,900	$114,300	$121,650

The **Fargo, ND-MN MSA** contains the following areas: Clay County, MN; Cass County, ND.

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits.

For last year's Median Family Income and Income Limits, please see here:

FY2025 Median Family Income and Income Limits for Fargo, ND-MN MSA

THE CITY OF Fargo FAR MORE

PLANNING & DEVELOPMENT

FARGO CITY HALL
225 4th Street North
Fargo, ND 58102
Office: 701.241.1474 | Fax: 701.241.1526
Email: Planning@FargoND.gov
FargoND.gov

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MEMORANDUM

TO: **Board of City Commissioners**

FROM: **Nicole Crutchfield, Director of Planning & Development** NC

DATE: **October 21, 2026**

SUBJECT: **PILOT application Cove Living, LLC**

The City of Fargo received a PILOT application for a mixed-use development project titled COVE Living, LLC. The request is for 10 years at 100%. In September, staff proceeded with submitting this proposal to the City's financial consultant, PFM, to seek a "but for" analysis.

The PFM analysis report is attached. The summary report indicates return analysis as well as performs sensitivity scenarios tied to project costs and rental rates. The report concludes that the developer will bear all the risk with the project and demonstrates with City assistance the internal rate of return is 9.74% (an industry average is 10-15%). This analysis does not include West Fargo School District or Cass County assistance.

The West Fargo School District and Cass County have been formally noticed per North Dakota Century Code requirements of 40-58-20.2.2 and 40-05-24. The West Fargo School District review is tentatively scheduled for the November 23, 2026 board meeting. Cass County review is tentatively scheduled for early November. In addition, please see the letter received from County Commissioner Tony Grindberg as well as a copy of the County's policies.

As part of processing the application, the Planning Department is charged with reviewing the proposed development against the goals of the Fargo Growth Plan 2024 and the GO2030 Comprehensive Plan. The project addresses goals set forth by both long-range planning documents. The Growth Plan seeks higher density by infill development and households in existing neighborhoods, promotes context sensitive, high quality design, and suggests incentives for projects that are considered optimal growth. The project is consistent with the Transitional (or Flex) Industrial Commercial placetype, supporting a live-work, mixed-use development of industrial, commercial and residential and is located within an identified neighborhood growth center, intended for condensed mixed-use development providing services and amenities to the

EQUAL HOUSING OPPORTUNITY

immediate surrounding neighborhood. Further, the planned unit development zoning requires higher quality design and shared parking. The project aligns with optional growth by conforming to the identified placetype, being located in a growth center, and providing benefits of neighborhood services and higher quality design. GO2030 seeks to promote infill and density within existing developed areas, promote dense walkable communities, implement design standards for higher quality design, and explore creative parking strategies with reduced and shared parking. The plan also calls for locating housing closer to jobs in which the northeast quadrant of Fargo is least populated with housing options. Additionally, the Fargo-Moorhead Regional Housing Needs Analysis and Strategies plan shows a need for a range of housing options including multi-dwelling residential units.

The Economic Development Incentives Committee (EDIC) voted unanimously to recommend approval of the PILOT application for Cove Living, LLC at the September 22, 2026 board meeting.

Attachments include the application and supplemental information, project narrative, design documents and renderings, financial report, benefit summary and payment estimate, letter from Cass County Commissioner Tony Grindberg, and the Cass County incentive policy.

Recommendation:
Accept the findings and recommendation of EDIC and approve the PILOT application as requested.

Application For Property Tax Incentives For New or Expanding Businesses

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

RECEIVED 9/23/2026

Project Operator's Application To _____
City or County

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

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

This application is a public record

Identification Of Project Operator

1. Name of project operator of new or expanding business: COVE Living LLC
2. Address of project: 300 45th Street South, Fargo, ND 58103
   City: Fargo County: Cass
3. Mailing address of project operator: 300 45th Street South, Suite 120
   City: Fargo State: ND Zip: 58103
4. Type of ownership of project
   - ☐ Partnership
   - ☐ Corporation
   - ☐ Subchapter S corporation
   - ☐ Cooperative
   - ☐ Individual proprietorship
   - ☒ Limited liability company
5. Federal Identification No. or Social Security No.: 41-3349901
6. North Dakota Sales and Use Tax Permit No.: N/A
7. If a corporation, specify the state and date of incorporation: N/A
8. Name and title of individual to contact: Cody Curry, Roers Controller
   Mailing address: 350 45th Street South, Suite 120
   City, State, Zip: Fargo, ND 58103 Phone No.: [redacted]

Project Operator's Application For Tax Incentives

9. Indicate the tax incentives applied for and terms. Be specific.
   - ☐ **Property Tax Exemption**
     _____ Number of years
     _____ Percent of exemption
   - ☒ **Payments In Lieu of Taxes**
     2029 Beginning year _____ Ending year
     Attached Amount of annual payments (attach schedule if payments will vary)
10. Which of the following would better describe the project for which this application is being made:
    - ☒ New business project
    - ☐ Expansion of a existing business project

Description of Project Property

11. Legal description of project real property
Please see attached Exhibit for full legal description.

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 Spring of 2027

b. Description of project to be constructed including size, type and quality of construction
Multi-family apartment building with 229 units and 15,507 rentable square feet of integrated commercial space. The building will be 6.5 stories of wood construction over a single-story precast concrete podium and will have 96 enclosed, on-grade parking spots.

c. Projected number of construction employees during the project construction 175+

14. Approximate date of commencement of this project's operations Spring of 2029

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

a. Land ..... $ 3,705,000

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

c. Newly constructed buildings and structures when completed ..... $ 57,904,000

d. Total ..... $ 61,609,000

e. Machinery and equipment ..... $ _____

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

a. Land (not eligible) .....

b. Eligible existing buildings and structures ..... $ 0

c. Newly constructed buildings and structures when completed ..... $ 2,895,200

d. Total taxable valuation of property eligible for exemption (Add lines b and c) ..... $ 2,895,200

e. Enter the consolidated mill rate for the appropriate taxing district 289.98

f. Annual amount of the tax exemption (Line d multiplied by line e) ..... $ 839,550.09

Description of Project Business

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

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

18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary).
The project operator will own and manage a multifamily apartment building along with commercial and retail space.

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

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

Year *(12 mo. periods)*	New/Expansion Project only Year 1	New/Expansion Project only Year 2	New/Expansion Project only Year 3	New/Expansion Project only Year 4	New/Expansion Project only Year 5
Annual revenue	2,490,539	3,046,386	4,956,396	5,464,264	5,575,968
Annual expense	2,446,415	2,436,862	4,291,877	4,358,349	4,393,516
Net income	44,124	609,524	664,519	1,105,915	1,182,452

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

Current positions & positions added the initial year of project

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

Year		(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1)	0					
	(2)	0					
Estimated payroll	(1)	2	108,160	111405	114,747	118,189	121,735
	(2)	0					

(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).

See Attached

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

Urban Plains Apartments 5369 30th Ave S, Fargo, ND 58104, Park Avenue Apartments 555 40th St, Fargo, ND 58103

The Cedars 5506 33rd Ave S, Fargo, ND 58104, EagleRidge Plaza, 5601 33rd Ave S #107, Fargo, ND 58104

Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition 100 %

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, Cody Curry, 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 | Controller (Title) | 9/23/26 (Date)

PRIVACY ACT NOTIFICATION

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 40-57.1-03, 40-57.1-07, and 57-01-15, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Certification of Governing Body (To be completed by the Auditor of the City or County)

The municipality shall, after granting any property tax incentives, certify the findings to the State Tax Commissioner and Director of Tax Equalization by submitting a copy of the project operator's application with the attachments. The governing body, on the _____ day of _____, 20____, granted the following:

☐ **Property Tax Exemption**

_____ Number of years

_____ Percent of exemption

☐ **Payments in lieu of taxes**

_____ Beginning year _____ Ending year

_____ Amount of annual payments (Attach schedule if payments will vary)

_____
Auditor

Pilot application

		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	TOTALS
	Rev	$2,490,539.00	$3,046,386.00	$4,956,396.00	$5,464,264.00	$5,575,968.00	$5,528,448.46	$5,642,737.67	$5,759,424.27	$5,878,559.57	$6,000,195.97	$50,342,918.93
	Operating Expenses	$ 566,739.07	$ 551,209.68	$ 999,326.67	$1,054,948.45	$1,079,047.69	$1,103,719.00	$1,128,976.43	$1,154,834.51	$1,181,308.09	$1,208,412.46	$10,028,522.05
	RE Tax	$ 298,820.06	$ 304,796.46	$ 542,535.85	$ 553,386.57	$ 564,454.30	$ 575,743.39	$ 587,258.26	$ 599,003.42	$ 610,983.49	$ 623,203.16	$ 5,260,184.97
	Interest Phase 1	1,580,856	1,580,856	1,580,856	1,580,856	1,580,856	1,580,856	1,580,856	1,580,856	1,580,856	1,580,856	$15,808,560.00
	Interest Phase 2			1,169,158	1,169,158	1,169,158	1,169,158	1,169,158	1,169,158	1,169,158	1,169,158	$ 9,353,264.00
	Total Expenses	$2,446,415.13	$2,436,862.14	$4,291,876.52	$4,358,349.02	$4,393,515.99	$4,429,476.39	$4,466,248.69	$4,503,851.93	$4,542,305.58	$4,581,629.62	$40,450,531.02
Pilot Application #20	**Net income before tax**	$ 44,123.87	$ 609,523.86	$ 664,519.48	$1,105,914.98	$1,182,452.01	$1,098,972.06	$1,176,488.98	$1,255,572.35	$1,336,253.98	$1,418,566.35	$ 9,892,387.91
Pilot Application #9	**Pilot**	220,061	289,557	515,409	525,717	536,232	468,600	477,972	426,790	435,326	444,032	$ 4,339,695.18
	Net Income Plus Pilot	264,184.87	899,080.50	1,179,928.54	1,631,632.22	1,718,683.60	1,567,571.93	1,654,460.84	1,682,362.28	1,771,579.72	1,862,598.60	14,232,083.09
	Less Principal	-	(472,814)	(472,814)	(822,494)	(822,494)	(822,494)	(822,494)	(822,494)	(822,494)	(822,494)	(6,703,086.00)
	Net Cash Flow	264,184.87	426,266.50	707,114.54	809,138.22	896,189.60	745,077.93	831,966.84	859,868.28	949,085.72	1,040,104.60	7,528,997.09

Other Tax incentives received

JPR Investments LLC #14 (DBA 1919 Flats) - 1919 N University Dr, Fargo, ND 58102 – TIF agreement in 2012

Skyline LLC – 1758 12th Ave N Fargo, ND 58102. TIF agreement in April 2025 with the project completion in July 2026

View Apartments LLC – 1113 University Drive N Fargo, ND 58102. TIF Agreement signed into January 2024

City of Fargo

Application for Core Neighborhood Housing PILOT

Contact Information

James Roers

350 45th St S Suite 120

Fargo, ND 58103

[redacted]

Shannon Roers Jones

350 45th St S Suite 120

Fargo, ND 58103

[redacted]

General Information

- Name and description of Corporation/Partnership
  - COVE Living LLC
- Project Location
  - 300 45th Street South, Fargo, ND 58103
- Project Description with conceptual plans
  - The proposed COVE Living project is a comprehensive infill and redevelopment initiative that directly advances the City of Fargo's Core Neighborhood Housing PILOT policy objectives by transforming an underutilized, parking-dominated site into a vibrant, mixed-use destination that increases density, supports economic development, and enhances the surrounding neighborhood.

    COVE Living will introduce 229 new residential apartment units and 15,507 rentable square feet of integrated commercial space on the west side of and adjacent to the existing commercial building located at 350 45th Street South (formerly addressed as 200/300/400 45th Street South). The project is part of a unified redevelopment strategy for the 13.75-acre site, which is currently characterized by excess surface parking—approximately 1,100 stalls—and underutilized land. This redevelopment replaces inefficiency with intentional density and activation.

    The apartment building will consist of 6.5 stories of wood construction over a single-story precast concrete podium, and will include 96 enclosed, on-grade parking spaces. The building will be physically and functionally connected to the newly redesigned COVE (Center of Innovative Ventures & Entrepreneurs), which reimagines the existing commercial space as a dynamic hub for business growth, collaboration, and innovation.

Alignment with PILOT Policy Goals

- Higher Value and Increased Density: COVE Living significantly increases both the value per square foot and the floor area ratio of the site. By introducing a vertically integrated, multi-phase residential structure, the project transforms a low-intensity, parking-heavy site into a high-performing urban asset that will contribute meaningfully to the City's long-term tax base.
- Opportunities for Economic Development: The integration of 15,507 square feet of commercial space within COVE Living, coupled with its direct connection to the broader COVE ecosystem, creates a unique live-work environment that supports entrepreneurship, startup activity, and primary-sector business growth. This synergy enhances workforce attraction and retention while positioning the site as a regional center for innovation.
- Mixed-Use Development with Shared Parking: The project incorporates a thoughtful mixed-use design supported by shared parking strategies that reduce reliance on expansive surface parking. By utilizing 96 enclosed on-grade stalls and optimizing the broader site's parking resources, the development promotes efficient land use while supporting both residential and commercial needs.
- Desirable and Compatible Land Uses: The addition of residential density within an established commercial corridor introduces a complementary use that enhances activity levels throughout the day and evening. The project is consistent with the City's Land Development Code and supports a more balanced and activated neighborhood environment.
- Consistency with City Plans: COVE Living aligns with the City's planning priorities related to infill development, economic diversification, housing supply expansion, and efficient use of existing infrastructure. By focusing development within an already-serviced area, the project avoids the need for costly outward expansion of public services.
- Improved Design and Public Amenities: The project will deliver a high-quality architectural and site design that elevates the overall standard of development in the area. The connection to COVE introduces shared amenities, collaborative environments, and opportunities for community engagement that benefit both residents and the broader business community.
- Infill Development Considerations: As an infill redevelopment of this scale, COVE Living involves additional costs and complexities not typically encountered in greenfield development. These include site reconfiguration, integration with existing structures and infrastructure, structured construction over a podium system, and the transition from surface parking to higher-density use. These factors reflect the City's policy goal of encouraging redevelopment of previously developed sites while recognizing the additional investment required to achieve these outcomes.

  - COVE Living represents a forward-thinking redevelopment that converts an underutilized site into a high-density, mixed-use innovation district. By combining residential living with a next-generation entrepreneurial hub, the project advances the City's goals of economic development, efficient land use, and neighborhood revitalization, and stands as a strong example of the type of transformative investment envisioned under the Core Neighborhood Housing PILOT policy.
  - Conceptual Plans are attached.
- Proposed Schedule
  - Construction of Phase 1 to begin Fall of 2026 with an 18-month construction period. Estimated completion of Phase 1 Spring of 2028
  - Construction of Phase 2 will begin following completion of Phase 1 with a 14-month construction period. Estimated to start construction Spring of 2028 and be completed Fall of 2029.

Project Financials and Financing

- Name of Developer
  - RDG2 LLC, 350 45th Street South, Fargo, ND 58103
- Ultimate owner of development
  - COVE Living LLC, 300 45th Street South, Fargo, ND 58103
- PILOT period request
  - 10-Year PILOT requested
- Minimum of a 10-Year Proforma, showing the year in which the property is at full rent-up
  - 10-Year Proforma attached
- Total project cost
  - $61,609,000
- Hard Capital Costs
  - $52,744,000
- Contributed equity
  - $16,802,000
- Loan amount(s) with terms (anticipated rate, first maturity, final maturity)
  - Finalized loan package, subject to Pilot approval. Phase 1 loan $25,162,000, 6.15% interest rate with a 5-year maturity and a 25-year amortization. Phase 2 financing to be delayed closing with timeframe closer to construction start date, with anticipation of financing to be same/similar to Phase 1 totaling $19,645,000. Total financing to be $44,807,000.

- Number of housing units by type
  - Combined Phase 1& 2 Units in total
    - 78 - 1-BR units – Various layouts and square footage
    - 139 - 2-BR units – Various layouts and square footage
    - 12- 3-BR units – Various layouts and square footage
    - Units by Phase:
      - Phase 1 129 units in total
        - 42 - 1-BR units
        - 77 - 2-BR units
        - 10 - 3-BR units
      - Phase 2 100 units in total
        - 36 - 1-BR units
        - 62 - 2-BR units
        - 3 - 1-BR units
- Proposed rents by housing unit types and for commercial space
  - 1-BR units – $1.77/SF
  - 2-BR units – $1.51 - $1.70 /SF
  - 3-BR units – $1.52 - $1.63/SF
  - Commercial - $20/SF
- Detailed assumptions for any other revenues (e.g. $100/month/garage space)
  - 1st floor (covered parking) - $100 stall/month
  - Pet rent - $35/month
- Expenditures broken out by category

Land Cost	$	3,705,000
Construction Cost		48,589,000
Architecture & Engineering		1,751,000
Real Estate Taxes		252,000
Financing & Construction Period Interest		1,554,000
Financing Fees		268,000
Developer Fee (Contributed as Equity)		4,191,000
Furnishings & Amenities		450,000
Marketing		100,000
Contingency		750,000
Total Costs	$	61,609,000

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

Land Cost	$	3,705,000
Building Demolition		254,000
Public Works and Utilities		327,000
Total Extraordinary Expenses	$	4,286,000

Living at COVE - Phase 1 & 2
Budget for Period Ended XX - 10 Year Roll-out
6/20/2026

Assumptions				
Units	230	Rent Increase	2%	
Commercial Rentable SF	12,917	Inflation	2%	
Vacancy	5%			

Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
% vacant	20%	5%	12%	5%	5%	5%	5%	5%	5%	5%
Average Rent $	1,705	1,739	1,768	1,804	1,840	1,876	1,914	1,952	1,991	2,031
Income										
Apartment Rent	2,839,940	2,902,739	4,859,014	4,956,194	5,055,318	5,156,424	5,259,553	5,364,744	5,472,038	5,581,479
Commercial - New Construction	256,947	264,655	378,984	360,333	402,043	414,104	426,527	439,323	452,503	466,078
CAM Rent - New Construction	77,084	79,397	113,669	117,100	120,613	124,231	127,958	131,797	135,761	139,823
Garage Rent - Apartments	57,600	59,328	118,708	122,269	125,937	129,715	133,607	137,615	141,743	145,995
Operating Revenue subtotal	3,031,571	3,066,116	5,470,375	5,585,896	5,703,911	5,824,475	5,947,645	6,073,479	6,202,036	6,333,376
Vacancy - Apartments	(550,748)	(138,623)	(580,137)	(259,140)	(265,614)	(274,021)	(283,169)	(291,864)	(300,414)	(305,426)
Vacancy - Commercial New Construction	(41,754)	(17,203)	(45,051)	(19,894)	(20,480)	(21,105)	(21,736)	(22,390)	(23,062)	(23,754)
	(592,502)	(155,826)	(632,068)	(279,033)	(287,404)	(296,027)	(304,907)	(314,055)	(323,476)	(333,180)
Operating Revenues less Vacancy	2,439,069	2,939,993	4,838,287	5,306,863	5,416,506	5,528,446	5,642,738	5,759,424	5,878,560	6,000,196
Other Revenues/Expenses - Apartments										
Misc./NSF/Late	6,000	6,180	13,585	13,972	14,392	14,823	15,268	15,726	16,198	16,684
Turnover Revenue	-	26,800	25,628	63,560	62,465	63,714	64,988	66,288	67,614	68,966
Pet Fees	14,700	15,141	30,295	31,204	32,140	33,104	34,098	35,120	36,174	37,259
Gym Membership	34,070	35,092	51,907	51,762	53,315	54,914	56,562	58,259	60,006	61,806
Promotions	(6,000)	(6,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
App Fee Revenue	2,700	2,781	8,624	8,883	9,150	9,424	9,707	9,998	10,298	10,607
Total Revenues	2,490,539	3,019,986	4,950,396	5,464,264	5,575,968	5,692,429	5,811,360	5,932,816	6,056,850	6,183,519
Expenses										
Administration										
Mgmt fees - Apartments	104,460	110,110	210,350	229,749	236,642	243,741	251,053	258,585	266,342	274,332
Mgmt fees - Commercial	10,780	11,105	18,851	18,522	19,078	19,650	20,239	20,847	21,472	22,116
Office wages-other	40,000	40,861	72,732	74,187	75,670	77,184	78,727	80,302	81,908	83,546
Gym Lease - W45th BC	34,070	35,092	51,907	51,762	53,315	54,914	56,562	58,259	60,006	61,806
Legal and Accounting	35,500	3,000	28,000	8,121	8,284	8,449	8,618	8,791	8,966	9,146
Advertising	15,082	15,383	27,382	27,930	28,488	29,058	29,639	30,232	30,837	31,453
Misc exp	16,591	12,307	23,953	24,432	24,921	25,419	25,928	26,446	26,975	27,515
Technology	13,591	8,545	15,319	15,625	15,938	16,257	16,582	16,913	17,252	17,597
sub-total	269,112	240,439	452,444	450,328	462,336	474,672	487,348	500,374	513,756	527,512
Maintenance										
General R&M	21,642	23,000	43,860	41,737	45,632	46,545	47,475	48,426	49,393	50,381
Plumbing	3,765	3,978	7,418	7,566	7,717	7,872	8,029	8,190	8,353	8,520
Electrical	1,368	1,530	2,761	2,816	2,872	2,930	2,988	3,048	3,109	3,171
HVAC	4,927	4,500	8,988	9,165	9,348	9,536	9,726	9,921	10,119	10,322
Maintenance Wages	42,642	30,000	82,952	84,211	85,495	86,805	88,141	89,504	70,894	72,312
Interior-common	18,525	9,425	21,914	22,352	22,799	23,255	23,720	24,194	24,678	25,172
Interior Turnover	-	33,500	34,170	81,653	83,286	84,952	86,651	88,384	90,152	91,955
Grounds/Landscaping/Snow Removal - Apts	21,000	20,910	37,706	38,462	39,232	40,016	40,817	41,633	42,466	43,315
sub-total	111,891	127,533	219,767	270,963	276,382	281,910	287,548	293,299	299,165	305,148
Utilities							89693			
Electric / Gas - Apts	42,975	50,235	83,140	84,803	86,499	88,229	89,994	91,793	93,629	95,502
Garbage Owner - Apts	13,200	13,464	23,333	23,800	24,276	24,761	25,256	25,762	26,277	26,802
Internet - Apts	36,700	39,474	70,263	71,668	73,102	74,564	76,055	77,576	79,128	80,710
Water & Sewer - Owner	45,363	33,960	67,773	69,128	70,511	71,921	73,360	74,827	76,323	77,850
sub-total	140,238	136,833	244,509	249,396	254,387	259,475	264,665	269,958	275,357	280,864
Other										
Insurance - Residential	45,498	46,408	82,606	84,258	86,943	87,662	89,416	91,204	93,028	94,888
Real Estate tax	298,820	304,796	542,536	553,387	564,454	575,743	587,258	599,003	610,983	623,203
Plot	(220,061)	(289,567)	(515,400)	(525,717)	(536,232)	(486,800)	(477,972)	(426,790)	(435,326)	(444,032)
sub-total	124,257	61,648	109,733	111,928	114,166	184,605	198,702	263,417	268,685	274,059
Total Operating Revenue	2,490,539	3,046,366	4,956,396	5,464,264	5,575,968	5,692,429	5,811,360	5,932,816	6,056,850	6,183,519
Total Operating Expenses	645,498	566,453	1,026,453	1,082,616	1,107,270	1,210,863	1,238,263	1,327,048	1,356,966	1,387,583
Operating Income	1,845,041	2,479,936	3,929,942	4,381,648	4,468,697	4,481,566	4,573,097	4,605,768	4,699,884	4,795,935

DOVETAIL DEVELOPMENT

COVE LIVING

45th Street W

Fargo, North Dakota

A3.0

DOVETAIL DEVELOPMENT

COVE LIVING

45th Street W

Fargo, North Dakota

A3.1


cove
FITNESS
MARKET
CO-WORKING
EVENT SPACE
COFFEE HOUSE
© 2026 JLG ARCHITECTS


COVE





City of Fargo, North Dakota

PILOT Program
"But-For" Report
COVE Living LLC

CITY OF Fargo

September 18, 2026

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Purpose

The purpose of this report is to establish and determine the allowable value of payments in lieu of taxes (PILOT) for COVE Living LLC, a development by RDG2, LLC (the "Developer").

PFM first reviewed the application to ensure that appropriate assumptions regarding property value, rent, vacancy, expenses, and debt were used by the Developer. Based on those assumptions, PFM projected a 10-year cash flow, calculating an internal rate of return ("IRR") The following report details PFM's analysis and conclusions concerning the viability of the proposed project without the subsidy.



Project

The project being proposed by the Developer includes the development of a 229-unit apartment building with commercial space and parking located at 300 45th Street South. The project will be completed in two phases over three years. The first phase will include the first 129 apartment units and 12,847 sq. ft. commercial space and the second phase will include the remaining 100 apartment units and commercial space.

The Developer estimates the construction of Phase 1 will be completed in Spring 2028 and of Phase 2 in Fall 2029, with occupancy immediately following.

PILOT Assistance Request

The Developer is requesting assistance in the form of payment in lieu of taxes under the City's proposed Commercial Redevelopment PILOT Incentive Policy. The Policy provides public assistance to a development through PILOT for private development. The Developer is asking for 10 years of PILOT exemption. The Policy states a 100% exemption on the increased value of the improvements for up to 10 years. However, PFM has evaluated the PILOT at 100% for the first five years and approximately 35% for the last five years which do not include participation in the PILOT from Cass County or the West Fargo Public Schools.

Project Financing

The Developer is investing approximately 27% equity, or $16,802,000, and will be privately financing about $44,807,000, split between the two phases. The private financings are estimated to be 25-year loans with an estimated interest rate of 6.15% resulting in a total annual principal and interest payment of $3,555,219.

Return Analysis

In calculating the internal rate of return, PFM first analyzed the Developer's assumptions including expected monthly rent, vacancy rate, and operating expenses. The Developer is proposing rents of $1,300-$1,375 for a one-bedroom unit, $1,650-$2,375 for a two-bedroom unit, and $2,350-$2,600 for a three-bedroom unit. The Developer has proposed a reasonable amount for rent for the current market and location. Annual estimates of operating expenses for the 229-unit rental development were provided, as follows; Insurance - $84,258, Management - $248,271, Administration - $125,863, Maintenance - $270,963, Utilities - $249,399, Miscellaneous - $76,194, and Real Estate Taxes - $499,196 (without public assistance). The total expenses are approximately 30% of gross operating income after stabilization.

The second step in determining the internal rate of return is to determine the earned incremental value of the property over a 10-year period. That value, along with the net operating income cash flows, was used to calculate the internal rate of return. PFM determined that without public assistance the Developer would have about a 7.69% internal rate of return based on a 10-year internal rate of return. The Developer would have about a 9.21% internal rate for 10 years if it received the public assistance. A reasonable rate of return for the proposed project is 10% - 15%.

Another measure of feasibility and project viability is the debt coverage ratio. PFM has projected a maximum debt coverage ratio in Year 10 of 1.23x without assistance, with a Year 6 coverage of 1.13x. If the City provided assistance to the project the maximum debt coverage is projected to be 1.26x in Year 10, with a Year 6 coverage of 1.17x.

Using PFM's "without assistance" cash flow as the base scenario, PFM ran sensitivity analyses in order to determine if the project would be likely to occur without public assistance. For the first sensitivity analysis, PFM analyzed how much project funds would have to decrease in order to produce a reasonable debt coverage ratio. We also looked at how much the rental rates would have to fluctuate in order to achieve a reasonable debt coverage. Lastly, we looked at a combination of the two scenarios. For the sensitivity analyses, we assumed a reasonable debt coverage ratio of 1.20x by year 6.

Sensitivity Scenario 1 – Project Costs

The project would have to be reduced by $4,928,800 or 8% in order for the project to become viable without assistance. This reduces the amount to be financed from $44,807,000 to $41,223,360 and reduces the annual payment from $3,555,219 to $3,270,874 for the loans. It is possible, but not likely that a reduction in project costs of this magnitude would occur. The Developer stated that they use an experienced, in-house construction team to determine the construction estimate and have historically been tight to the budget.

Sensitivity Scenario 2 – Rental Rates

In order for the project to be viable without public assistance, the apartment and commercial rental rates would have to increase by 6.5%. This increases annual rental revenue from $5,168,121 to $5,504,049. PFM believes the current proposed rents are reasonable rental rates. The Developer stated they used current rental rates from an existing property they own and used a 3.0% annual escalator to determine the 2028 rental rates and further increases may not be feasible and would likely result in increased vacancy.

Sensitivity Scenario 3 – Combination of Project Costs and Rental Rates

The final scenario looks at both a reduction of project costs and an increase in apartment rental rates. The analysis showed that project costs would have to be reduced by $2,587,620 or 4.2% and rental rates would have to increase by about 3.4%.

The above scenarios show the circumstances in which the project would become viable without public assistance. PFM has determined that the project is unlikely to occur "but-for" the public assistance with the provided assumptions, but if project costs decrease, rental rates increase, or both occur then the project may become viable without public assistance.



Conclusion

The Developer will bear all the risk involved with the project. The Developer is dependent on a number of factors before and after the project is completed, including project costs, occupancy of the buildings, the rental market, and monthly expenses. The base scenario without assistance along with the sensitivity analyses demonstrates that the project would be unlikely to be feasible without assistance. However, it's possible that with reasonable increased rents and decreased project costs, the project could become viable without assistance.

PFM has calculated that with public assistance, and based on the assumptions outlined in this report, a 10-year internal rate of return is estimated to be 9.74%. In addition, the coverage ratio in Year 10 is estimated to be 1.29x. The estimated internal rate of return is appropriate given the risk level for this type of project. Based on the information provided to PFM, the calculated internal rate of return and the coverage requirements, PFM concludes the project would likely not be feasible without public assistance at the current projection.



Benefit Summary

Full Taxes w/o Incentives - Year 1	
Land Tax	$53,719
Existing Bldg Tax	$0
Proposed	$839,550
TOTAL	$893,269

Full Taxes w Incentives - Year 1	
Land Tax	$53,719
Existing Bldg Tax	$0
Total	$53,719
Benefit	$839,550

Total Gross Benefit	$8,395,501
Total Gross w/o City	$7,719,037
Total Gross w/o SD	$6,301,113
Total Gross City Only	$5,624,650

Benefit is estimate only, based on current mill levy, and project operator provided values estimates. Does not necessarily reflect final assessed value or future mill levies.

Payment Estimate

	Incentive %	Payments	Full Taxes Due	Benefit	Total Est Tax	Payment Added w/o County	County Out?	Payment Added w/o School	School Out?
IncntYr 1	100	$0	$839,550	$839,550	$53,719		☐		☐
IncntYr 2	100	$0	$839,550	$839,550	$53,719		☐		☐
IncntYr 3	100	$0	$839,550	$839,550	$53,719		☐		☐
IncntYr 4	100	$0	$839,550	$839,550	$53,719		☐		☐
IncntYr 5	100	$0	$839,550	$839,550	$53,719		☐		☐
IncntYr 6	100	$0	$839,550	$839,550	$53,719	$135,293	☑	$418,878	☑
IncntYr 7	100	$0	$839,550	$839,550	$53,719	$135,293	☑	$418,878	☑
IncntYr 8	100	$0	$839,550	$839,550	$53,719	$135,293	☑	$418,878	☑
IncntYr 9	100	$0	$839,550	$839,550	$53,719	$135,293	☑	$418,878	☑
IncntYr 10	100	$0	$839,550	$839,550	$53,719	$135,293	☑	$418,878	☑

CASS COUNTY
GOVERNMENT

Tony Grindberg
Commission Chair
Cell: 701-261-4691
Email: grindbergt@casscountynd.gov

October 2, 2026

Nicole Crutchfield
Planning Director
City of Fargo
225 4th Avenue North
Fargo, ND 58102

Dear Nicole:

I am writing to acknowledge your recent discussion with Cass County Administrator Robert Wilson regarding the scheduling of Cass County Commission's consideration of a Payment in Lieu of Taxes (PILOT) application for a project that commenced construction months ago on 45th Street South.

My understanding is the City of Fargo has been considering amending their tax incentive policy to allow for commercial redevelopment. I also understand prior to the June, 2026 election, City of Fargo leadership had advised applicant to not pursue a PILOT request and incentives policy change at the City of Fargo.

Please be advised that the application being advanced does not meet Cass County's existing incentive policy. (Copy Attached) I recognize there may be policy and legal considerations involved in bringing the application forward. I will strongly recommend the County not participate when if this request comes before the Cass County Commission.

As Chair of the Cass County Commission and based on my experience with economic-development incentives, I have serious concerns about allowing redevelopment of an existing property as an eligible PILOT application. Such a decision by a political sub-division will further erode original intent of PILOT legislation passed by the legislature in 1994. This could establish a precedent that warrants careful consideration and in fact lead to legislation clarifying the PILOT program as solely allowed for only primary sector economic development projects.

I am also concerned about the broader fiscal implications. With property-tax cap limitations and the ongoing responsibility to fund essential government services, we need to carefully consider the long-term impact that PILOT agreements may have on the property-tax base and County revenues.

My intent is not to prejudge the Fargo City Commission's consideration of their policy change and application, but to ensure that the policy implications, fiscal impact, and rationale for moving forward are clearly understood.

I appreciate the City's continued cooperation with Cass County and look forward to maintaining a constructive dialogue as we consider economic development incentives.

Sincerely,

Tony Grindberg

Tony Grindberg
Chair, Cass County Commission

Cc: Fargo City Commission
Cass County Legislators

CASS COUNTY
COMMISSION POLICY MANUAL 34.00

SUBJECT: TAX INCENTIVE POLICY

ADOPTED DATE: OCTOBER 20, 2025 PAGE 1 OF 2

This policy sets forth the criteria under which the Cass County Board of Commissioners may vote affirmatively to participate in tax incentives for new or expanding businesses or developments. This tax incentive policy shall apply to businesses and developments located both within and outside of incorporated municipalities in Cass County, whether the application is received directly by Cass County, or approved and forwarded by an incorporated municipality.

N.D.C.C Chapter 40-05-24 states that if a municipality anticipates granting a property tax incentive for more than five years the impacted county retains the option to participate - or not - in the incentive. This policy recognizes that tax incentives shift a portion of the tax burden between taxpayers in an effort to stimulate economic growth or otherwise promote a public good. For this reason and the limitations to increase tax revenue placed on county governments by the North Dakota State Legislature, the Cass County Commission will generally limit the utilization of tax incentives to the following circumstances:

Primary Sector Businesses:
Recognizing that development and expansion of primary sector businesses (businesses that produce goods or services locally and sell a majority of their products outside the Fargo, West Fargo, Moorhead metropolitan area) represent one of the most direct and impactful ways to grow local economies, the Cass County Commission will generally support applications that promote primary sector business development.

Non-Primary Sector Projects Approved and Forwarded by Municipalities:
The Cass County Commission will encourage municipalities to limit the length of 100% property tax abatements to not more than five (5) years, recognizing that incentives up to five years do not require Cass County Commission approval.

Support for Federally Supported Low and Moderate-Income Housing Programs:
Recognizing Cass County has a shortage of low- and moderate-income housing, the Cass County Commission will support incentive applications that utilize programs such as the Low-Income Housing Tax Credit (LIHTC) program to leverage additional investment in Cass County's housing stock.

Tax Increment Financing (TIF) and Payment in Lieu of Taxes (PILOT) Incentives Not Otherwise Recognized in this Policy:
Tax incentive proposals not aligning within the categories listed in this policy will not be granted for more than 50% of the request. Applications for non-Primary Sector existing facility expansions or remodels will not be considered.

Timing of County Review:
In the case of applications submitted by municipalities requesting County participation, applications should be submitted for County Commission consideration prior to consideration by the originating municipalities' policy board.

Transferability of Incentive:
So long as a county-approved incentive is active on a property, that incentive is not transferable to a new owner without action by the County Commission affirming the transferability of the remaining incentive.

Renaissance Zone Incentives:
Cass County does not support Renaissance Zone incentives beyond five years.

With respect to applications made directly to the County (not originating within a municipality), the Cass County Commission's general goal will be consistency with the incentives described above.

HISTORICAL REFERENCE DATE: JUNE 5, 1995
AUGUST 3, 1998
FEBRUARY 21, 2006
JANUARY 2, 2018

THE CITY OF Fargo FAR MORE

Engineering Department
225 4th Street North
Fargo, ND 58102
Phone: 701.241.1545 | Fax: 701.241.8101
Email feng@FargoND.gov
www.FargoND.gov

October 20, 2026

28

Honorable Board of City Commissioners
City of Fargo
Fargo, North Dakota

RE: Approval Request for 2027 Engineering Capital Improvement Plan (CIP), 2028 Core Neighborhood Reconstruction Projects, and 2028 Federal Aid Projects

Honorable Commissioners,

At the Finance Committee meeting on October 12, 2026, I presented the proposed 2027 Engineering Capital Improvement Plan (CIP), 2028 Core Neighborhood reconstruction projects, and 2028 Federal Aid projects. The attached spreadsheet provides details of the 2027 CIP, including project costs and funding sources. The proposed 2028 Core Neighborhood reconstruction projects and 2028 Federal Aid projects are summarized below. Approval of the 2028 projects will allow Engineering to begin design and notify affected property owners approximately one year before construction, providing advance notice and an opportunity to prepare for the upcoming improvements.

2028 Core Neighborhood Reconstruction Projects:

- BR-28-A1: Longfellow Neighborhood – 28 Ave N from Elm St N to cul-de-sac east of Maple St N; Evergreen Rd N from 28 Ave N to Meadowlark Ln N
- BR-28-B1: Hawthorne Neighborhood – 5 St S from 9 Ave S to 10 Ave S; 9 Ave S & 10 Ave S from 5 St S to 4 St S; 10 Ave S from 5 St S to 6 St S
- BR-28-C1: Horace Mann Neighborhood – Oak St N from 8 Ave N to 11 Ave N; 9 Ave N & 10 Ave N from 1 St N to Oak St N

2028 Federal Aid Projects:

- BR-28-E1: Street Reconstruction – 1 Ave N from 8 St N to 3 St N
- BN-28-A1: Interchange Ramps – I-29/64 Ave S
- PR-28-A1: Concrete Pavement Rehab – Main Ave from 45th St to 25th St
- SN-28-A1: New Shared Use Path – Drain 27/Deer Creek
- SR-28-A1: Shared Use Path Replacement – Red River Path between NP Ave and Main Ave

The Public Works Project Evaluation Committee (PWPEC) considered this request at its October 19, 2026, meeting and unanimously recommended approval.

THE CITY OF Fargo
FAR MORE

Engineering Department
225 4th Street North
Fargo, ND 58102
Phone: 701.241.1545 | Fax: 701.241.8101
Email feng@FargoND.gov
www.FargoND.gov

Recommended Motion:
Approve the 2027 Engineering Capital Improvement Plan (CIP), 2028 Core Neighborhood Reconstruction Projects, and 2028 Federal Aid Projects as presented.

Sincerely,

Tom Knakmuhs
City Engineer

Proposed 2027 Capital Improvement Projects

$120,303,978.35 Total Program
$21,178,372.78 Total Outside Funding Sources
$51,234,933.70 Total Special Assessed
$47,890,671.87 Other Local Funds (Prairie Dog, Sales Tax, Traffic, Storm, Waste Water, and Water)

City Project #	Project	Construction Costs: Engineer's Estimate	Construction Costs: Construction Bid Cost		Misc Costs: Land/ Easements/ ROW	Misc Costs: Utility Relocation	Misc Costs: Consultant Engineer/ HMGP/ NDDOT Fee/ Incentives	Fees: Percentage: Engineering %	Fees: Percentage: Admin %	Fees: Percentage: Interest %	Fees: Percentage: Legal/Misc %	Fees: Percentage: Contingency %	Fees: Dollar Value: Engineering $	Fees: Dollar Value: Admin $	Fees: Dollar Value: Interest $	Fees: Dollar Value: Legal/Misc $	Fees: Dollar Value: Contingency $	Total City Cost with Estimated Fees	Outside Funding Sources: Federal	Outside Funding Sources: DOT/ County/ WF/ Mhd/ TIF/ NDSWC/ Cass Rural Water	Outside Funding Sources: SE Cass/ NDDES/ Parks/ Developer	Special Assessments	Local Funds: Prairie Dog - Bucket #1 ($2.5M)	Local Funds: Prairie Dog/Flex Fund	Local Funds: Sales Tax - Infrastructure (3/4 cent) (Fund 420)	Local Funds: Sales Tax - Flood Control (2013) (Fund 460)	Local Funds: Utility Funds - Street Lights (Fund 528)	Local Funds: Utility Funds - Storm Utility (Fund 524)	Local Funds: Utility Fund - Waste Water (Fund 521)	Local Funds: Utility Fund - Water (Fund 501)
Locally Funded and Programmed Projects																													
Street Reconstruction and Utility Replacement Projects		$12,989,328	$12,989,328		$0	$0	$0						$1,298,933	$519,573	$519,573	$389,680	$1,121,189	$16,838,275	$0	$0	$0	$2,578,034	$0	$0	$4,408,810	$0	$359,905	$671,186	$4,095,110	$4,725,231
BR-27-A1	Longfellow - North Woodcrest Dr N from Evergreen Rd N to Lilac Ln N; Maple St N from 28 Ave N to Meadowlark Ln N; Meadowlark Ln N from Maple St N to Lilac Ln N - **Approved by Commission on 11/24/2025**	$5,238,691	$5,238,691	100%	$0	$0	$0	10%	4%	4%	3%	10%	$523,869	$209,548	$209,548	$157,161	$523,869	$6,862,685	$0	$0	$0	$1,041,244	$0	$0	$1,754,157	$0	$230,482	$150,509	$1,816,606	$1,869,687
BR-27-B1	Hawthorne - 6 St S from 10 Ave S to 13 Ave S; 11 Ave S from 7 St S to 5 St S; 12 Ave S from 6 St S to 5 St S - **Approved by Commission on 11/24/2025**	$3,062,748	$3,062,748	100%	$0	$0	$0	10%	4%	4%	3%	10%	$306,275	$122,510	$122,510	$91,882	$306,275	$4,012,200	$0	$0	$0	$544,184	$0	$0	$1,103,434	$0	$74,444	$214,185	$883,720	$1,192,233
BR-27-C1	Horace Mann - 1 St N from 11 Ave N to 7 Ave N; 8 Ave N from 1 St N to Oak St N - **Approved by Commission on 11/24/2025**	$3,554,884	$3,554,884	100%	$0	$0	$0	10%	4%	4%	3%	5%	$355,488	$142,195	$142,195	$106,647	$177,744	$4,479,154	$0	$0	$0	$808,842	$0	$0	$502,352	$0	$6,028	$290,175	$1,257,672	$1,614,086
BR-27-D1	Hawthorne - 9 Ave S from 4 St S to the east	$1,133,005	$1,133,005	100%	$0	$0	$0	10%	4%	4%	3%	10%	$113,301	$45,320	$45,320	$33,990	$113,301	$1,484,237	$0	$0	$0	$183,764	$0	$0	$1,048,867	$0	$48,951	$16,317	$137,112	$49,225
Pavement Preservation Projects		$9,980,080	$9,980,080		$0	$0	$0						$998,008	$399,203	$399,203	$299,402	$499,004	$12,574,901	$0	$0	$0	$4,330,005	$0	$0	$7,679,527	$0	$565,369	$0	$0	$0
PR-27-A1	Concrete Spot Repairs City Wide	$900,000	$900,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$90,000	$36,000	$36,000	$27,000	$45,000	$1,134,000	$0	$0	$0	$0	$0	$0	$1,134,000	$0	$0	$0	$0	$0
PR-27-B1	Asphalt Crack Seal - Various Locations City Wide	$120,000	$120,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$12,000	$4,800	$4,800	$3,600	$6,000	$151,200	$0	$0	$0	$0	$0	$0	$151,200	$0	$0	$0	$0	$0
PR-27-C1	Seal Coat Projects	$1,910,080	$1,910,080	100%	$0	$0	$0	10%	4%	4%	3%	5%	$191,008	$76,403	$76,403	$57,302	$95,504	$2,406,701	$0	$0	$0	$361,005	$0	$0	$1,877,227	$0	$168,469	$0	$0	$0
PR-27-E1	Mill & Overlay and/or Pavement Replacement Only Project	$3,150,000	$3,150,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$315,000	$126,000	$126,000	$94,500	$157,500	$3,969,000	$0	$0	$0	$1,984,500	$0	$0	$1,786,050	$0	$198,450	$0	$0	$0
PR-27-F1	Mill & Overlay and/or Pavement Replacement Only Project	$3,150,000	$3,150,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$315,000	$126,000	$126,000	$94,500	$157,500	$3,969,000	$0	$0	$0	$1,984,500	$0	$0	$1,786,050	$0	$198,450	$0	$0	$0
QR-27-C1	Bridge Rehab/Repair - Citywide	$750,000	$750,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$75,000	$30,000	$30,000	$22,500	$37,500	$945,000	$0	$0	$0	$0	$0	$0	$945,000	$0	$0	$0	$0	$0
Storm Sewer Utility Projects		$3,100,000	$3,100,000		$0	$0	$0						$310,000	$124,000	$124,000	$93,000	$155,000	$3,906,000	$0	$0	$0	$1,417,500	$0	$0	$0	$0	$0	$2,488,500	$0	$0
UR-27-A1	Storm Sewer Area Repairs - Various	$1,300,000	$1,300,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$130,000	$52,000	$52,000	$39,000	$65,000	$1,638,000	$0	$0	$0	$737,100	$0	$0	$0	$0	$0	$900,900	$0	$0
UR-27-B1	Storm Sewer - Misc.	$600,000	$600,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$60,000	$24,000	$24,000	$18,000	$30,000	$756,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$756,000	$0	$0
NR-27-A1	Lift Station Repairs - Citywide	$1,200,000	$1,200,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$120,000	$48,000	$48,000	$36,000	$60,000	$1,512,000	$0	$0	$0	$680,400	$0	$0	$0	$0	$0	$831,600	$0	$0
Sidewalk Projects		$1,500,000	$1,500,000		$0	$0	$0						$150,000	$60,000	$60,000	$45,000	$75,000	$1,890,000	$0	$0	$0	$945,000	$0	$0	$945,000	$0	$0	$0	$0	$0
SR-27-A1	Sidewalks: New/Rehab Sidewalks (including ADA improvements)	$750,000	$750,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$75,000	$30,000	$30,000	$22,500	$37,500	$945,000	$0	$0	$0	$472,500	$0	$0	$472,500	$0	$0	$0	$0	$0
SR-27-B1	Sidewalks: New/Rehab Sidewalks (including ADA improvements)	$750,000	$750,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$75,000	$30,000	$30,000	$22,500	$37,500	$945,000	$0	$0	$0	$472,500	$0	$0	$472,500	$0	$0	$0	$0	$0
Miscellaneous Projects		$1,995,000	$1,995,000		$0	$0	$0						$199,500	$79,800	$79,800	$59,850	$112,000	$2,525,950	$0	$0	$0	$661,500	$0	$0	$320,950	$0	$0	$0	$1,543,500	$0
TN-27-A1	64 Ave S Traffic Calming	$245,000	$245,000	100%	$0	$0	$0	10%	4%	4%	3%	10%	$24,500	$9,800	$9,800	$7,350	$24,500	$320,950	$0	$0	$0	$0	$0	$0	$320,950	$0	$0	$0	$0	$0
UR-27-C1	Sanitary Sewer Lining Project	$1,750,000	$1,750,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$175,000	$70,000	$70,000	$52,500	$87,500	$2,205,000	$0	$0	$0	$661,500	$0	$0	$0	$0	$0	$0	$1,543,500	$0
2027 Total for Locally Funded and Programmed Projects		$29,564,408	$29,564,408		$0	$0	$0						$2,956,441	$1,182,576	$1,182,576	$886,932	$1,962,193	$37,735,126	$0	$0	$0	$9,932,039	$0	$0	$13,354,286	$0	$925,274	$3,159,686	$5,638,610	$4,725,231
Federal Aid Projects																													
SN-27-A1	Shared Use Path - Water Reclamation Campus - 10 St N to Broadway	$342,593	$342,593	100%	$0	$0	$0	0%	4%	4%	3%	10%	$0	$1,864	$1,864	$1,398	$4,659	$352,378	$296,000	$0	$28,189	$0	$0	$0	$28,189	$0	$0	$0	$0	$0
BR-27-E1	1 Ave N from University Dr N to 8 St N	$10,216,340	$10,216,340	100%	$50,000	$150,000	$750,000	10%	4%	4%	3%	10%	$0	$155,685	$155,685	$116,764	$389,213	$11,983,687	$6,324,210	$0	$0	$1,266,590	$0	$1,675,284	$0	$0	$614,192	$149,531	$985,712	$968,167
BR-26-G1	17 Ave S from 25 St S to University - **Approved by Commission on 11/24/2025**	$10,497,547	$9,488,878	90%	$50,000	$50,000	$1,334,482	10%	4%	4%	3%	5%	$0	$140,356	$140,356	$105,267	$175,445	$11,484,784	$5,979,974	$0	$0	$2,679,774	$0	$0	$622,411	$0	$35,624	$215,898	$279,879	$1,671,224
2027 Total for Federal Aid Projects		$21,056,480	$20,047,811		$100,000	$200,000	$2,084,482						$0	$297,905	$297,905	$223,429	$569,317	$23,820,849	$12,600,184	$0	$28,189	$3,946,365	$0	$1,675,284	$650,600	$0	$649,816	$365,430	$1,265,591	$2,639,391
Prairie Dog Projects																													
PR-26-F2	Concrete Rehab - Arterial Corridor (45 St S from 15 Ave S to I-94)	$8,025,000	$8,025,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$802,500	$321,000	$321,000	$240,750	$401,250	$10,111,500	$0	$7,500,000	$0	$2,606,733	$0	$4,767	$0	$0	$0	$0	$0	$0
BR-27-F1	4 St N from Main Ave to 1 Ave N	$4,674,430	$4,674,430	100%	$0	$0	$0	10%	4%	4%	3%	10%	$467,443	$186,977	$186,977	$140,233	$467,443	$6,123,503	$0	$0	$0	$1,296,798	$0	$4,826,706	$0	$0	$0	$0	$0	$0
2027 Total for Prairie Dog Projects		$12,699,430	$12,699,430		$0	$0	$0						$1,269,943	$507,977	$507,977	$380,983	$868,693	$16,235,003	$0	$7,500,000	$0	$3,903,530	$0	$4,831,473	$0	$0	$0	$0	$0	$0
Flood Control Projects																													
NR-26-D1	Storm Lift Station #67 & #68	$6,600,000	$6,600,000	100%	$0	$0	$750,000	0%	0%	0%	0%	10%	$0	$0	$0	$0	$660,000	$8,010,000	$0	$0	$0	$0	$0	$0	$0	$8,010,000	$0	$0	$0	$0
2027 Total for Flood Control Projects		$6,600,000	$6,600,000		$0	$0	$750,000						$0	$0	$0	$0	$660,000	$8,010,000	$0	$0	$0	$0	$0	$0	$0	$8,010,000	$0	$0	$0	$0
2027 Total (not including New Development/Alley Paving Projects)		$69,920,318	$68,911,648		$100,000	$200,000	$2,834,482						$4,226,384	$1,988,459	$1,988,459	$1,491,344	$4,060,203	$85,800,978	$12,600,184	$7,500,000	$28,189	$17,781,934	$0	$6,506,758	$14,004,886	$8,010,000	$1,575,089	$3,525,115	$6,904,201	$7,364,622
New Development/Alley Paving Projects																													
New Development Projects		$26,000,000	$26,000,000		$0	$0	$0						$2,600,000	$1,040,000	$1,040,000	$780,000	$1,300,000	$32,760,000	$0	$0	$0	$32,760,000	$0	$0	$0	$0	$0	$0	$0	$0
BN-27-B1	New Development Project - Selkirk Place 4th Addition - Phase 2	$4,500,000	$4,500,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$450,000	$180,000	$180,000	$135,000	$225,000	$5,670,000	$0	$0	$0	$5,670,000	$0	$0	$0	$0	$0	$0	$0	$0
BN-27-C1	New Development Project - Lost Creek	$6,000,000	$6,000,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$600,000	$240,000	$240,000	$180,000	$300,000	$7,560,000	$0	$0	$0	$7,560,000	$0	$0	$0	$0	$0	$0	$0	$0
BN-27-D1	New Development Project - Covey Ranch	$10,000,000	$10,000,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$1,000,000	$400,000	$400,000	$300,000	$500,000	$12,600,000	$0	$0	$0	$12,600,000	$0	$0	$0	$0	$0	$0	$0	$0
PN-27-B1	New Development Project - 64th Ave S from Veterans	$1,500,000	$1,500,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$150,000	$60,000	$60,000	$45,000	$75,000	$1,890,000	$0	$0	$0	$1,890,000	$0	$0	$0	$0	$0	$0	$0	$0
BN-27-E1	New Development Project - Back 40	$3,000,000	$3,000,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$300,000	$120,000	$120,000	$90,000	$150,000	$3,780,000	$0	$0	$0	$3,780,000	$0	$0	$0	$0	$0	$0	$0	$0
PN-27-A1	Wear Course Projects	$1,000,000	$1,000,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$100,000	$40,000	$40,000	$30,000	$50,000	$1,260,000	$0	$0	$0	$1,260,000	$0	$0	$0	$0	$0	$0	$0	$0
Alley Paving Projects		$1,550,000	$1,550,000		$0	$0	$0						$55,000	$22,000	$22,000	$16,500	$77,500	$1,743,000	$1,050,000	$0	$0	$693,000	$0	$0	$0	$0	$0	$0	$0	$0
AN-27-A1	Alley Paving - From 7 Ave N to Great Northern Dr between 19 St N and 20 St N	$300,000	$300,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$30,000	$12,000	$12,000	$9,000	$15,000	$378,000	$0	$0	$0	$378,000	$0	$0	$0	$0	$0	$0	$0	$0
AN-27-B1	Alley Paving - From 16 Ave N to 17 Ave N between 11 St N and 12 St N	$250,000	$250,000	100%	$0	$0	$0	10%	4%	4%	3%	5%	$25,000	$10,000	$10,000	$7,500	$12,500	$315,000	$0	$0	$0	$315,000	$0	$0	$0	$0	$0	$0	$0	$0
AN-26-B1	Alley Paving - Planning CDBG - From 10 Ave N to 12 Ave N between 25 St N and 27 St N	$1,000,000	$1,000,000	100%	$0	$0	$0	0%	0%	0%	0%	5%	$0	$0	$0	$0	$50,000	$1,050,000	$1,050,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2027 Total for New Development/Alley Paving Projects		$27,550,000	$27,550,000		$0	$0	$0						$2,655,000	$1,062,000	$1,062,000	$796,500	$1,377,500	$34,503,000	$1,050,000	$0	$0	$33,453,000	$0	$0	$0	$0	$0	$0	$0	$0
2027 Total for All Projects		$97,470,318	$96,461,648		$100,000	$200,000	$2,834,482						$6,881,384	$3,050,459	$3,050,459	$2,287,844	$5,437,703	$120,303,978	$13,650,184	$7,500,000	$28,189	$51,234,934	$0	$6,506,758	$14,004,886	$8,010,000	$1,575,089	$3,525,115	$6,904,201	$7,364,622

REPORT OF ACTION

PUBLIC WORKS PROJECTS EVALUATION COMMITTEE

Type: 2027 CIP, 2028 Core Neighborhood & 2028 Federal Aid Reconstruction Projects

Location: Citywide

Date of Hearing: 10/19/2026

Routing	Date
City Commission	10/26/2026
PWPEC File	X
Project Files	Tom Knakmuhs

The Committee reviewed the accompanying correspondence from City Engineer, Tom Knakmuhs, regarding the 2027 Capital Improvement Plan (CIP), 2028 Core Neighborhood Reconstruction Projects and 2028 Federal Aid Reconstruction Projects.

Engineering is seeking approval of the 2027 CIP, 2028 Core Neighborhood Reconstruction and 2028 Federal Aid Reconstruction Projects.

On a motion by Michael Redlinger, seconded by Josh Boschee, the Committee voted to recommend approval of the 2027 CIP, 2028 Core Neighborhood Reconstruction and 2028 Federal Aid Reconstruction Projects as shown.

RECOMMENDED MOTION

Concur with the recommendations of PWPEC and approve the 2027 CIP, 2028 Core Neighborhood Reconstruction and 2028 Federal Aid Reconstruction Projects.

PROJECT FINANCING INFORMATION:

Recommended source of funding for project: Various

	Yes	No
Developer meets City policy for payment of delinquent specials	N/A	
Agreement for payment of specials required of developer	N/A	
Letter of Credit required (per policy approved 5-28-13)	N/A	

COMMITTEE	Present	Yes	No	Unanimous
				☑
Josh Boschee, Mayor	☑	☑	☐	
Nicole Crutchfield, Director of Planning	☑	☑	☐	
Gary Lorenz, Fire Chief	☑	☑	☐	Ryan Erickson
Michael Redlinger, City Administrator	☑	☑	☐	
Ben Dow, Director of Operations	☐	☐	☐	
Tom Knakmuhs, City Engineer	☑	☑	☐	
Susan Thompson, Finance Director	☐	☐	☐	

ATTEST:

C: Kristi Olson

Tom Knakmuhs, P.E.
City Engineer

THE CITY OF Fargo FAR MORE

Memorandum

To: PWPEC

From: Tom Knakmuhs, City Engineer

Date: 10/14/2026

Re: Approval Request for 2027 Engineering CIP, 2028 Core Neighborhood Reconstruction Projects, and 2028 Federal Aid Reconstruction Project

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Attached are the proposed 2027 Capital Improvement Plan (CIP) funding spreadsheet and the presentation that was shared at the Finance Committee meeting on October 12, 2026. The Engineering Department is seeking PWPEC's approval for the 2027 CIP, as well as for the following 2028 Core Neighborhood Reconstruction Projects and 2028 Federal Aid Reconstruction Projects. Approval of these projects will allow us to begin project design and engage with impacted property owners one year prior to construction.

Core Neighborhood Reconstruction Projects:

- BR-28-A1: Longfellow Neighborhood – 28 Ave N from Elm St N to cul-de-sac east of Maple St N; Evergreen Rd N from 28 Ave N to Meadowlark Ln N
- BR-28-B1: Hawthorne Neighborhood – 5 St S from 9 Ave S to 10 Ave S; 9 Ave S & 10 Ave S from 5 St S to 4 St S; 10 Ave S from 5 St S to 6 St S
- BR-28-C1: Horace Mann Neighborhood – Oak St N from 8 Ave N to 11 Ave N; 9 Ave N & 10 Ave N from 1 St N to Oak St N

Federal Aid Reconstruction Project:

- BR-28-E1: Street Reconstruction – 1 Ave N from 8 St N to 3 St N
- BN-28-A1: Interchange Ramps – I-29/64 Ave S
- PR-28-A1: Concrete Pavement Rehab – Main Ave from 45th St to 25th St
- SN-28-A1: New Shared Use Path – Drain 27/Deer Creek
- SR-28-A1: Shared Use Path Replacement – Red River Path between NP Ave and Main Ave

Recommended Motion:

Approve the 2027 Engineering CIP, 2028 Core Neighborhood Reconstruction, and 2028 Federal Aid Reconstruction Project.

Attachments:

2027 CIP Spreadsheet

CIP Presentation

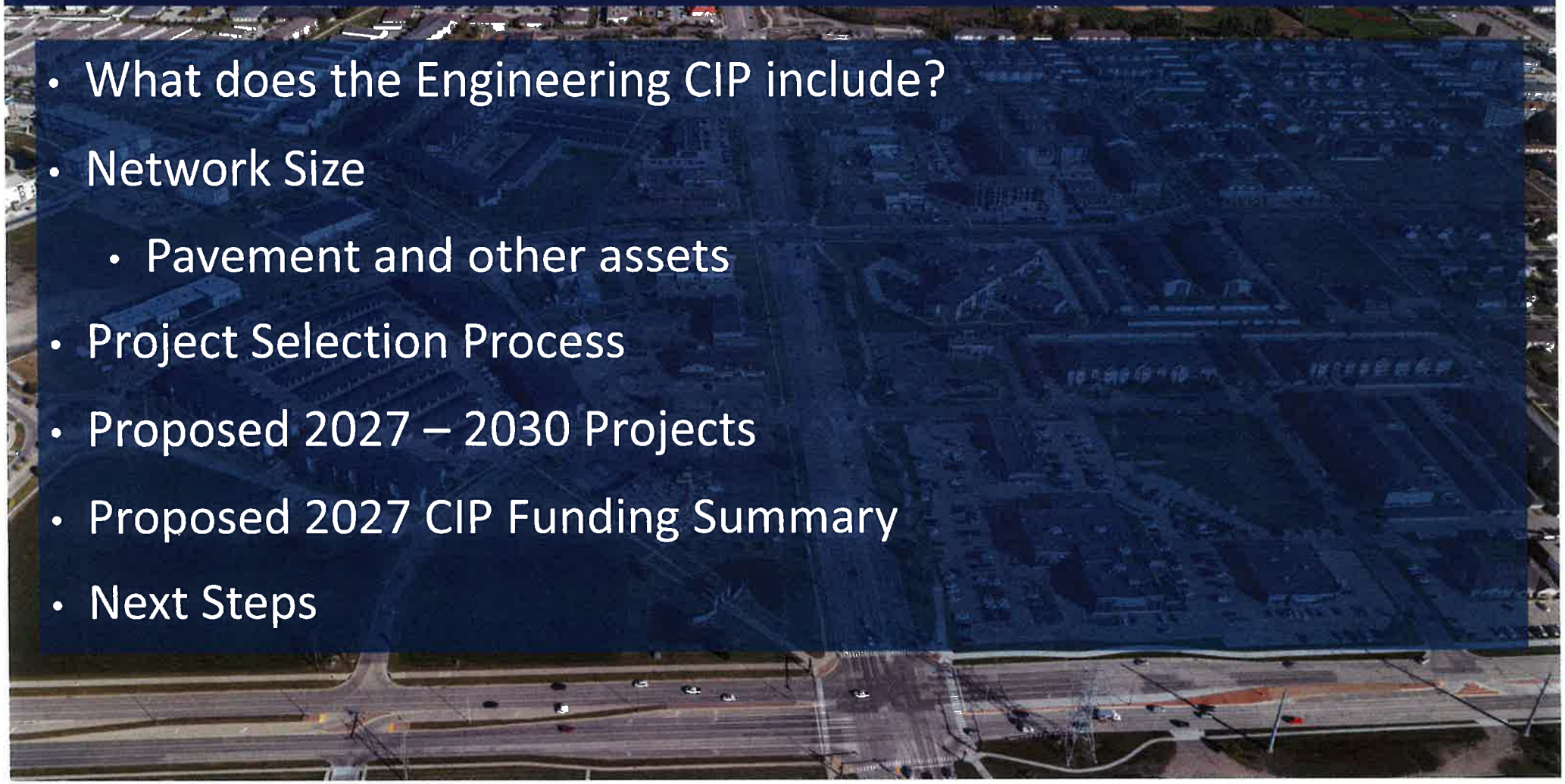


2027
ENGINEERING CAPITAL IMPROVEMENT PLAN (CIP)

OCTOBER 12, 2026

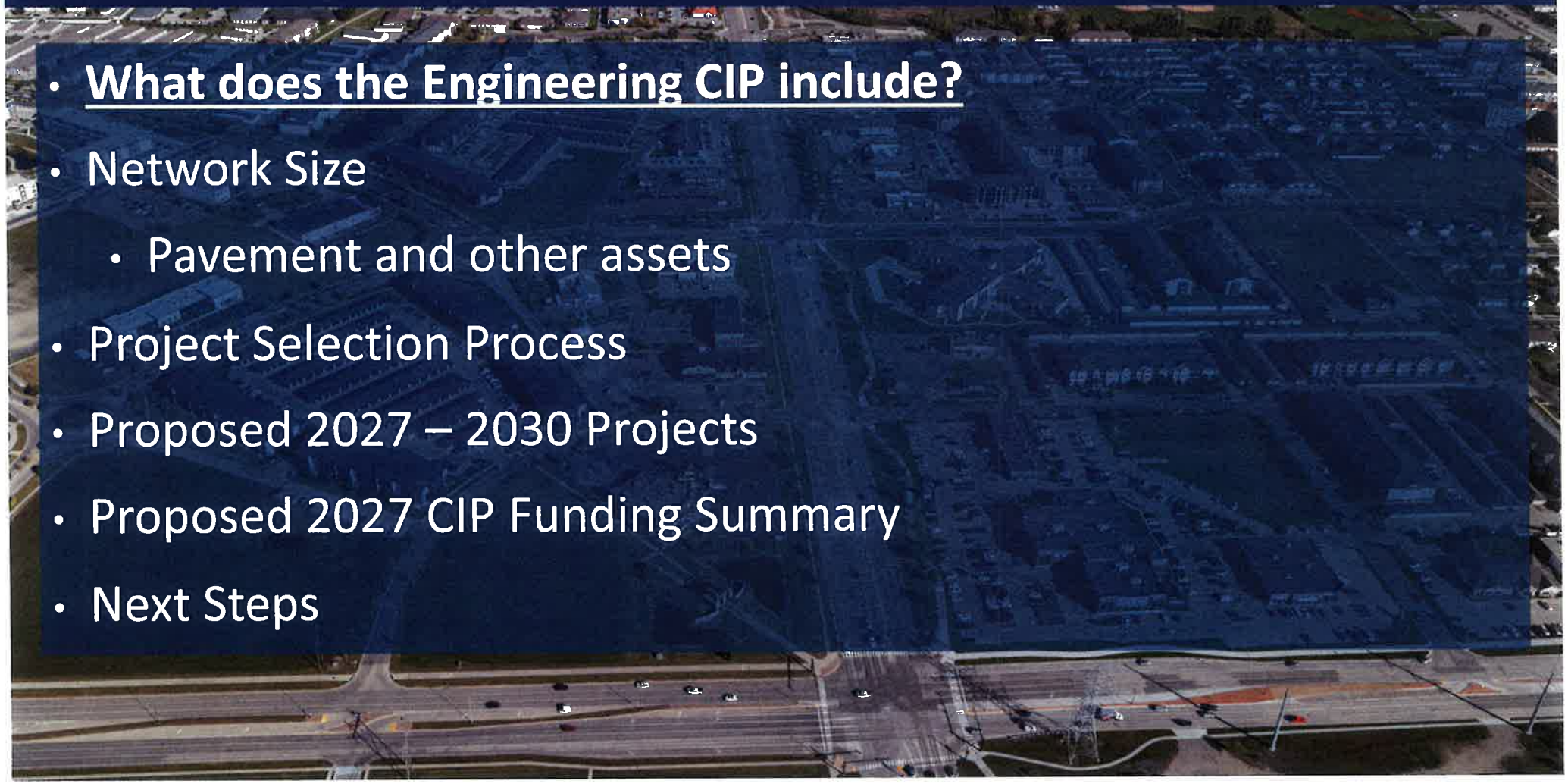
THE CITY OF Fargo FAR MORE

Presentation Summary



- What does the Engineering CIP include?
- Network Size
  - Pavement and other assets
- Project Selection Process
- Proposed 2027 – 2030 Projects
- Proposed 2027 CIP Funding Summary
- Next Steps

Presentation Summary



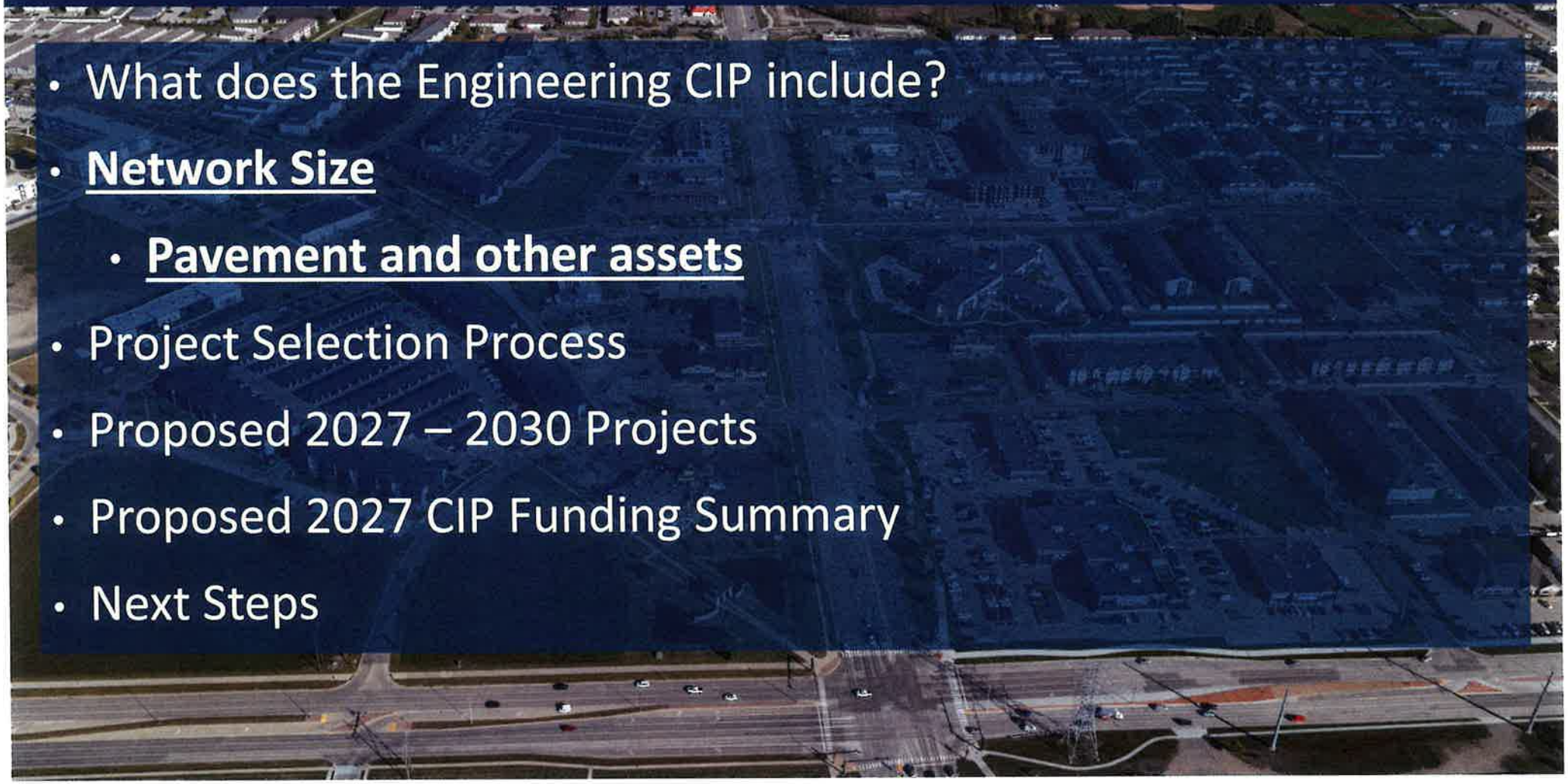
- **What does the Engineering CIP include?**
- Network Size
  - Pavement and other assets
- Project Selection Process
- Proposed 2027 – 2030 Projects
- Proposed 2027 CIP Funding Summary
- Next Steps

WHAT DOES THE ENGINEERING CIP INCLUDE?



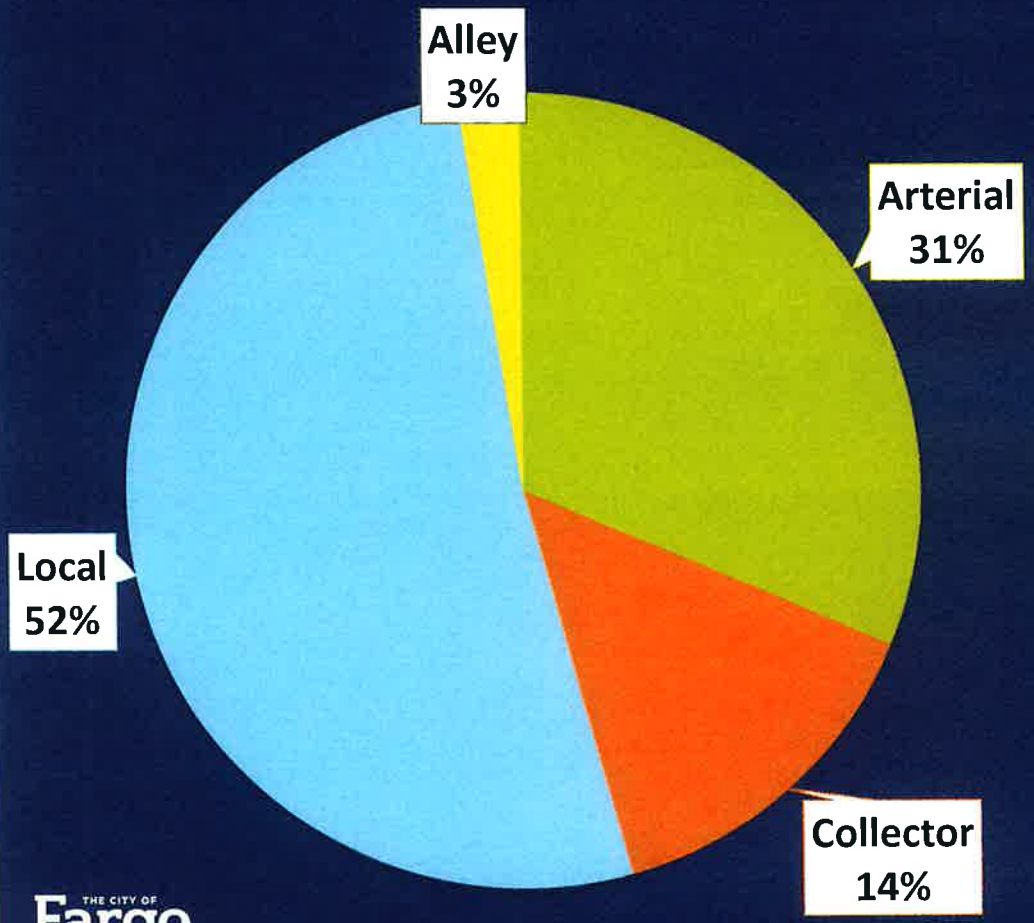
- Preservation, rehabilitation, replacement, and new installation of city owned infrastructure within the public right of way
  - Water mains, gate valves, fire hydrants, and services
  - Sewer mains, manholes, and services
  - Storm sewer mains, manholes, inlets, ponds, and lift stations
  - Street lights, traffic signals, pavement markings, traffic signs, and fiber optic (city communications)
  - Asphalt pavement, concrete pavement, bridges, underpass retaining walls, box culverts, sidewalks/shared use paths
  - Levees/Floodwalls

Presentation Summary



- What does the Engineering CIP include?
- **Network Size**
  - **Pavement and other assets**
- Project Selection Process
- Proposed 2027 – 2030 Projects
- Proposed 2027 CIP Funding Summary
- Next Steps

FARGO'S PAVEMENT NETWORK



Classification	SY of Pavement	% of Network
Arterial	3,188,676	31.1%
Collector	1,448,135	14.1%
Local	5,321,282	51.9%
Alley	290,817	2.8%
Total	10,248,910	100%

Equivalent to over
1,600 football fields!

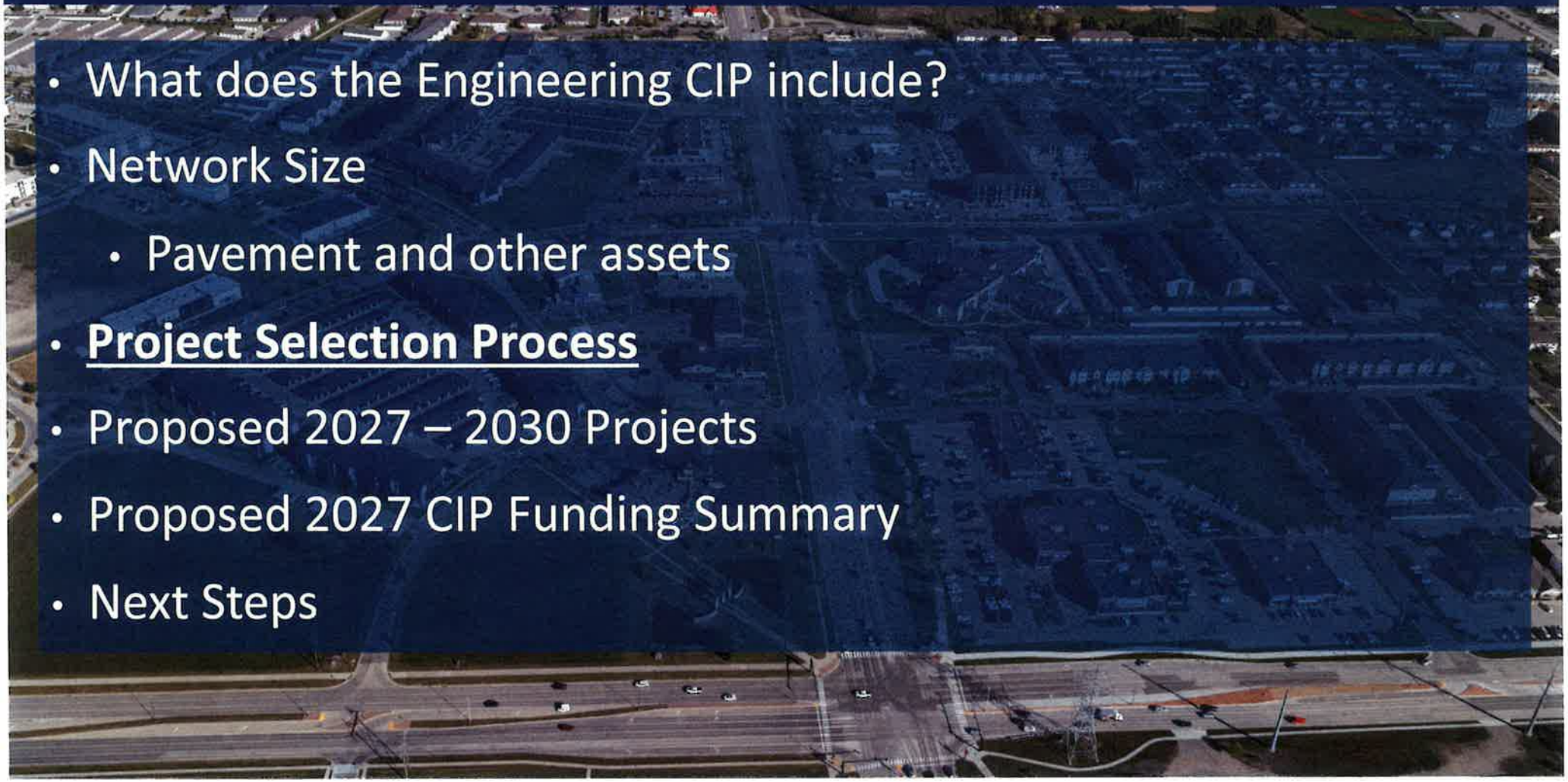
THE CITY OF Fargo FAR MORE

FARGO'S INFRASTRUCTURE ASSETS



- Bridges
  - Full Responsibility: 45
  - Shared Responsibility: 32
- Sanitary Sewer
  - Mains: 431 miles
  - Manholes: 8,504
  - Lift Stations: 76
- Water
  - Mains: 481 miles
  - Valves: 12,669
- Storm Sewer
  - Mains: 534 miles
  - Inlets: 14,057
  - Lift Stations: 86
  - City Ponds: 60
- Traffic/Street Lights
  - Street Lights: 10,470
  - Traffic Signals Poles: 818
  - Traffic Signs: 20,909

Presentation Summary



- What does the Engineering CIP include?
- Network Size
  - Pavement and other assets
- **Project Selection Process**
- Proposed 2027 – 2030 Projects
- Proposed 2027 CIP Funding Summary
- Next Steps

PROJECT SELECTION

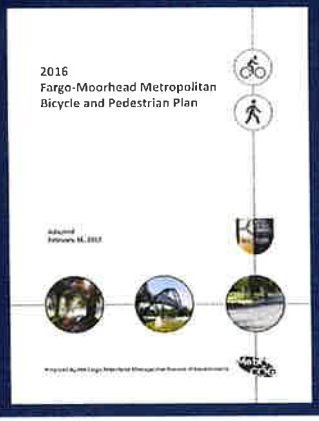
- Collaboration between many city departments
  - Planning, Public Works, Water Treatment, Water Reclamation, and Engineering
- Taking into consideration:

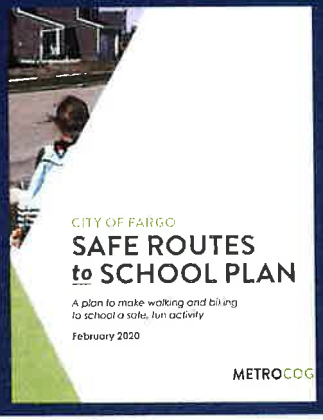












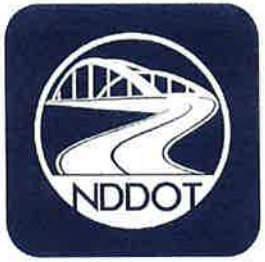
- Other items:
  - Pavement condition
  - Underground utility condition
  - Severity/risk of failure
  - Public safety

THE CITY OF Fargo FAR MORE

PROJECT PARTNERS







METROCOG
FARGO-MOORHEAD METROPOLITAN COUNCIL OF GOVERNMENTS

Cass Rural Water District

CITY OF WEST FARGO
A CITY ON THE GROW



CASS COUNTY GOVERNMENT

FargoPark DISTRICT





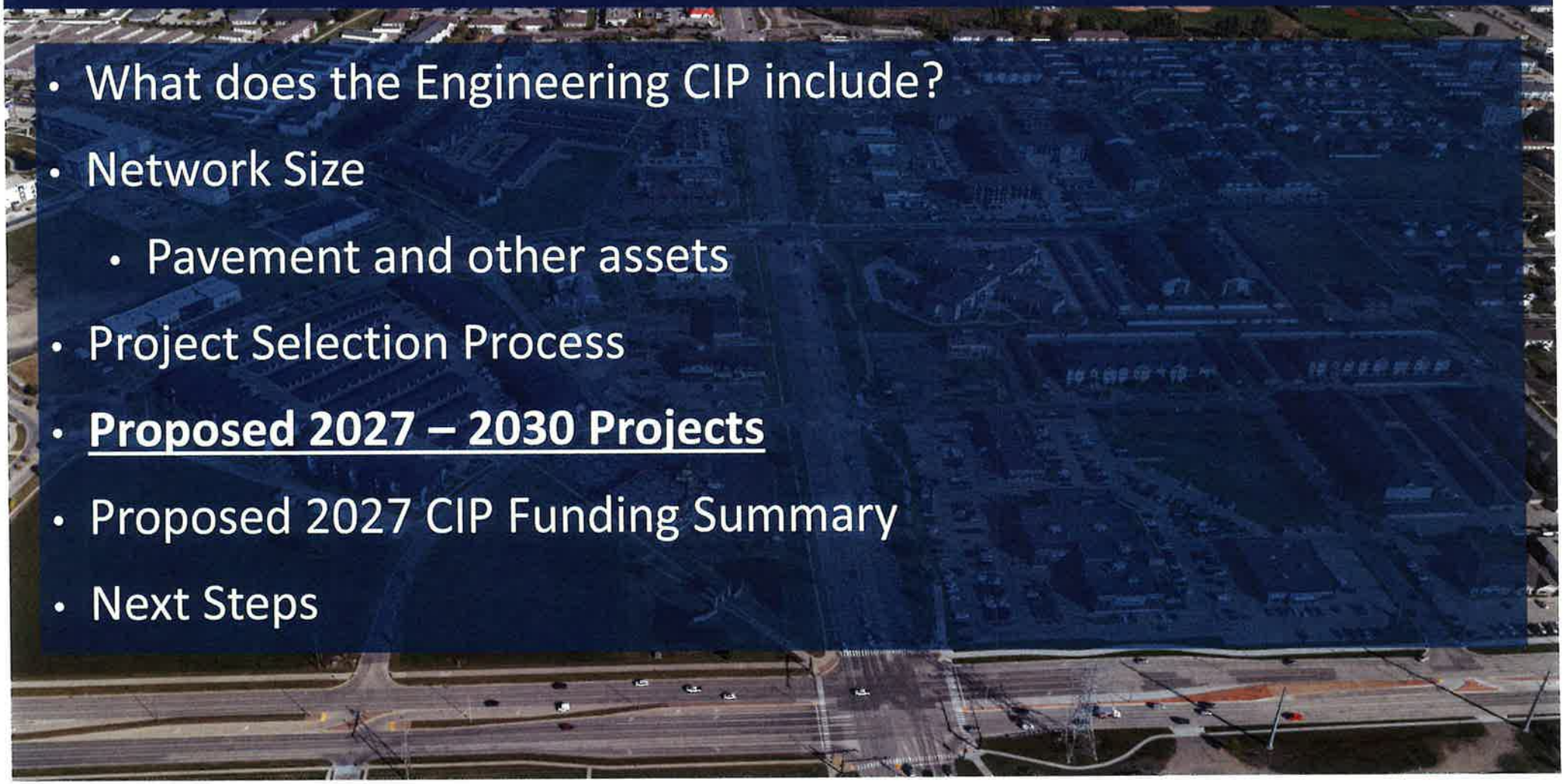
CLAY COUNTY

West Fargo Public Schools
Educating all learners for tomorrow's world



THE CITY OF Fargo FAR MORE

Presentation Summary



- What does the Engineering CIP include?
- Network Size
  - Pavement and other assets
- Project Selection Process
- **Proposed 2027 – 2030 Projects**
- Proposed 2027 CIP Funding Summary
- Next Steps

PROJECT CATEGORIES WITHIN CIP



- Locally Funded and Programmed Projects
- Federal Aid Projects
- Prairie Dog/Flex Fund Projects
- Flood Control Projects
- New Development Projects
- Alley Paving Projects

PROJECT CATEGORIES WITHIN CIP



- **Locally Funded and Programmed Projects**
  - City determines project locations and are funded locally
- Federal Aid Projects
- Prairie Dog/Flex Fund Projects
- Flood Control Projects
- New Development Projects
- Alley Paving Projects

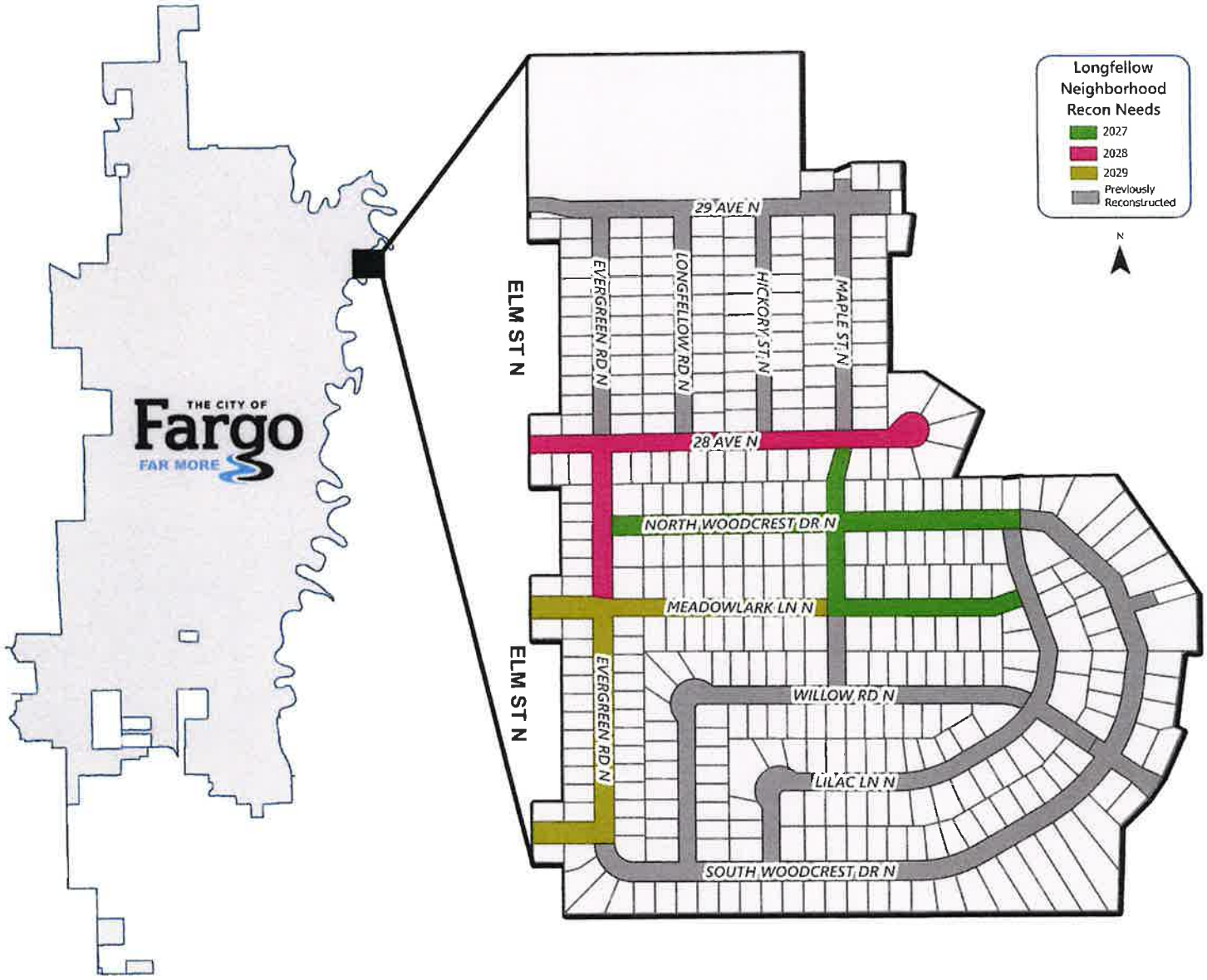
PROJECT CATEGORIES WITHIN CIP

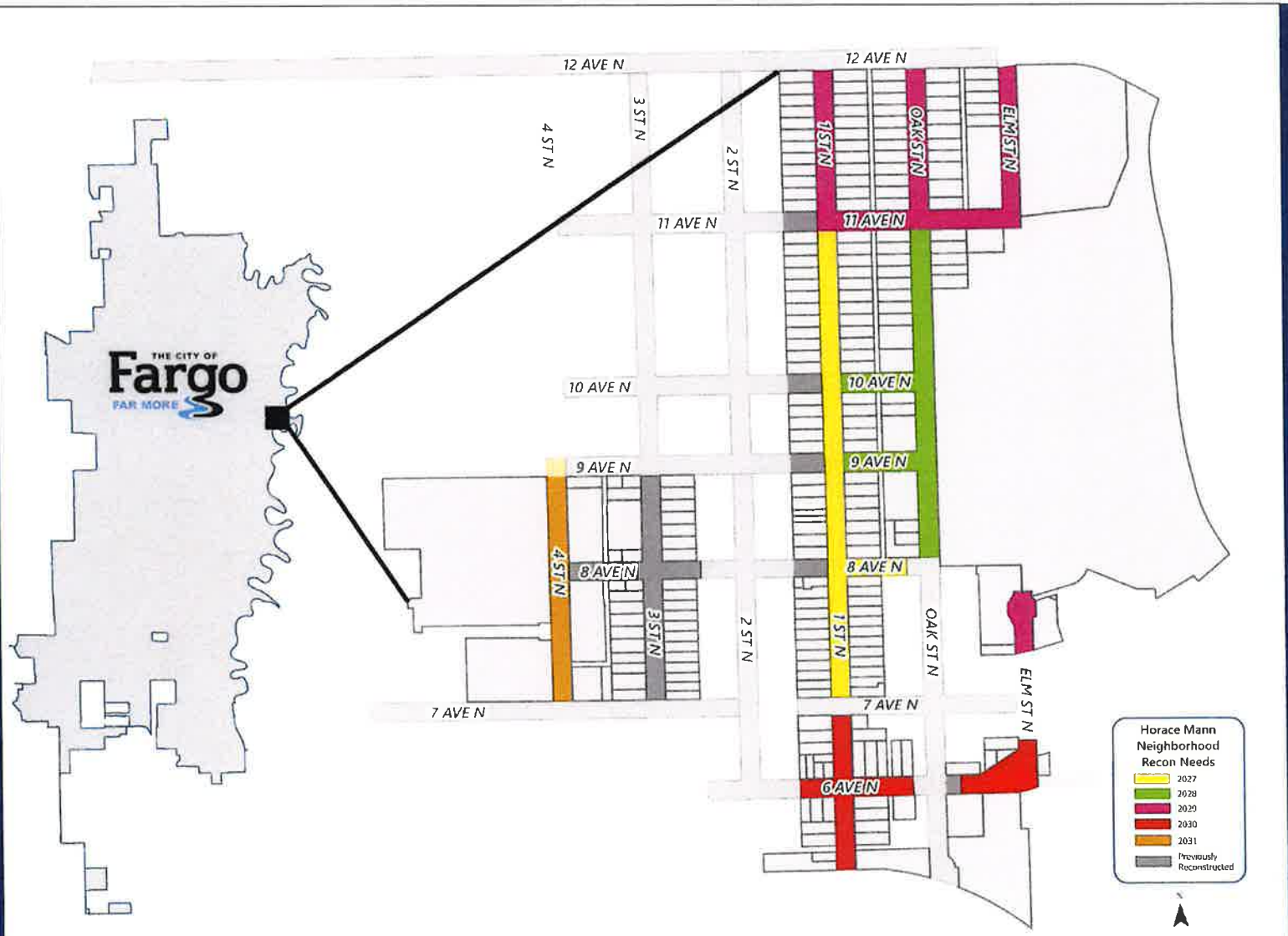


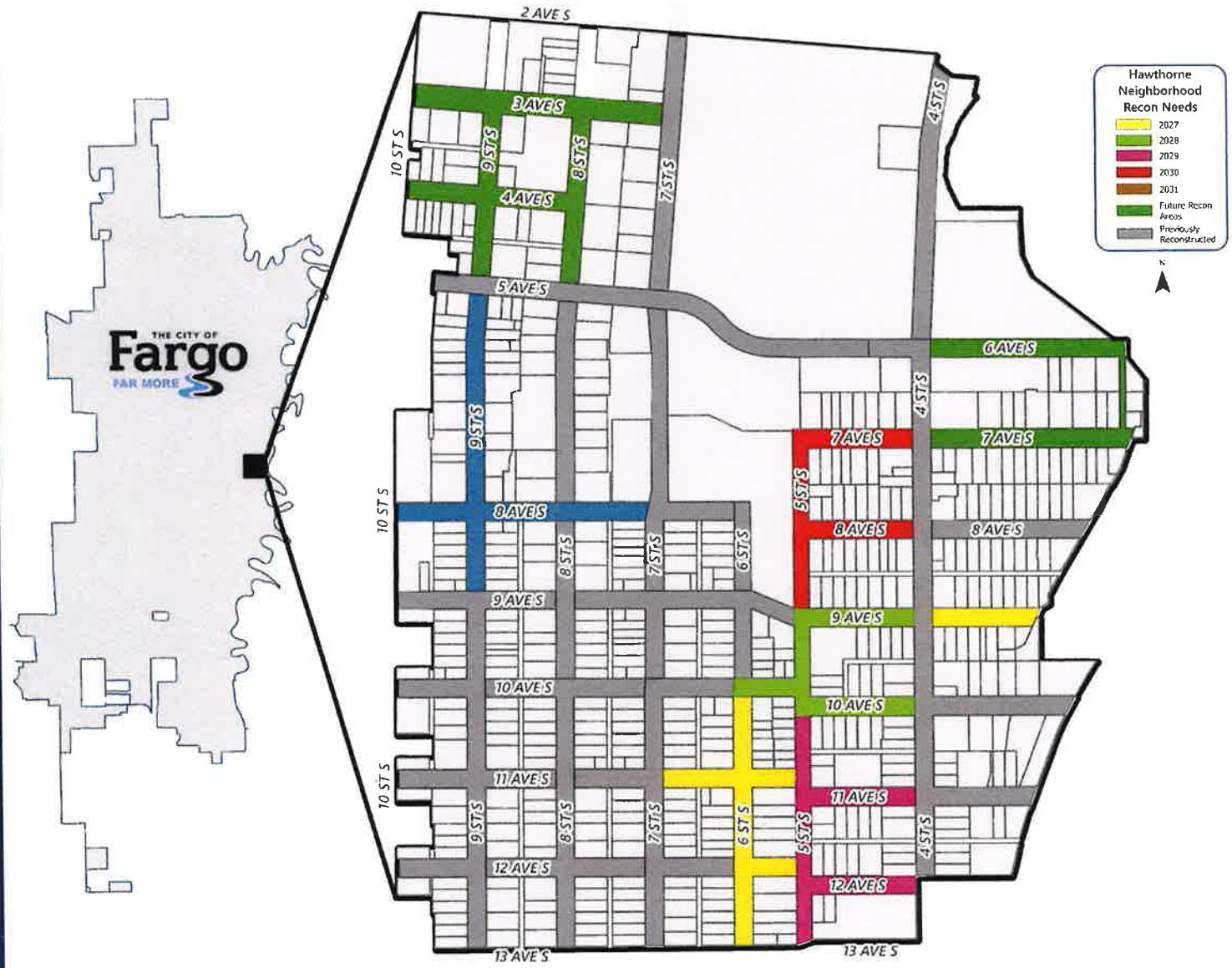
- **Locally Funded and Programmed Projects**
  - Core Neighborhood – Street Reconstruction and Utility Replacement
  - Pavement Preservation
  - Storm Sewer Utility
  - Sidewalk Improvements
  - Miscellaneous
- Federal Aid Projects
- Prairie Dog/Flex Fund Projects
- Flood Control Projects
- New Development Projects
- Alley Paving Projects

LOCALLY FUNDED - CORE NEIGHBORHOOD PROJECTS

Year	Location
2027	Longfellow - North Woodcrest Dr N from Evergreen Rd N to Lilac Ln N; Maple St N from 28 Ave N to Meadowlark Ln N; Meadowlark Ln N from Maple St N to Lilac Ln N
	Hawthorne - 6 St S from 10 Ave S to 13 Ave S; 11 Ave S from 7 St S to 5 St S; 12 Ave S from 6 St S to 5 St S
	Horace Mann - 1 St N from 11 Ave N to 7 Ave N; 8 Ave N from 1 St N to Oak St N
	Hawthorne - 9 Ave S from 4 St S to the east
2028	Longfellow - 28 Ave N from Elm St N to cul-de-sac east of Maple St N; Evergreen Rd N from 28 Ave N to Meadowlark Ln N
	Hawthorne - 5 St S from 9 Ave S to 10 Ave S; 9 Ave S from 5 St S to 4 St S; 10 Ave S from 6 St S to 4 St S
	Horace Mann – Oak St N from 8 Ave N to 11 Ave N; 10 Ave N and 9 Ave N from 1 St N to Oak St N
2029	Longfellow - Meadowlark Ln N from Elm St N to Maple St N; Evergreen Rd N from Meadowlark Ln N to South Woodcrest Dr N; South Woodcrest Dr N from Elm St N to Evergreen Rd N
	Hawthorne – 5 St S from 10 Ave S to 13 Ave S; 11 Ave S and 12 Ave S from 5 St S to 4 St S
	Horace Mann – Elm St N, Oak St N, and 1 St N from 11 Ave N to 12 Ave N; 11 Ave N from 1 St N to Elm St N
2030	**Hawthorne** – 5 St S from 7 Ave S to 9 Ave S; 7 Ave S from 4 St S to 5 St S; 8 Ave S from 4 St S to 5 St S
	Horace Mann – 6 Ave N from 2 St N to Elm St N; 1 St N from 7 Ave N to BNSF RR
	Belmont – Location to be determined


Longfellow Neighborhood Recon Needs
2027
2028
2029
Previously Reconstructed
N
29 AVE N
28 AVE N
NORTH WOODCREST DR N
MEADOWLARK LN N
WILLOW RD N
LILAC LN N
SOUTH WOODCREST DR N
EVERGREEN RD N
LONGFELLOW RD N
HICKORY ST N
MAPLE ST N
ELM ST N
ELM ST N
THE CITY OF
Fargo
FAR MORE


12 AVE N
12 AVE N
4 ST N
3 ST N
2 ST N
1 ST N
OAK ST N
ELM ST N
11 AVE N
11 AVE N
10 AVE N
10 AVE N
9 AVE N
9 AVE N
8 AVE N
8 AVE N
4 ST N
3 ST N
2 ST N
1 ST N
OAK ST N
ELM ST N
7 AVE N
7 AVE N
6 AVE N
THE CITY OF Fargo FAR MORE
Horace Mann Neighborhood Recon Needs
2027
2028
2029
2030
2031
Previously Reconstructed

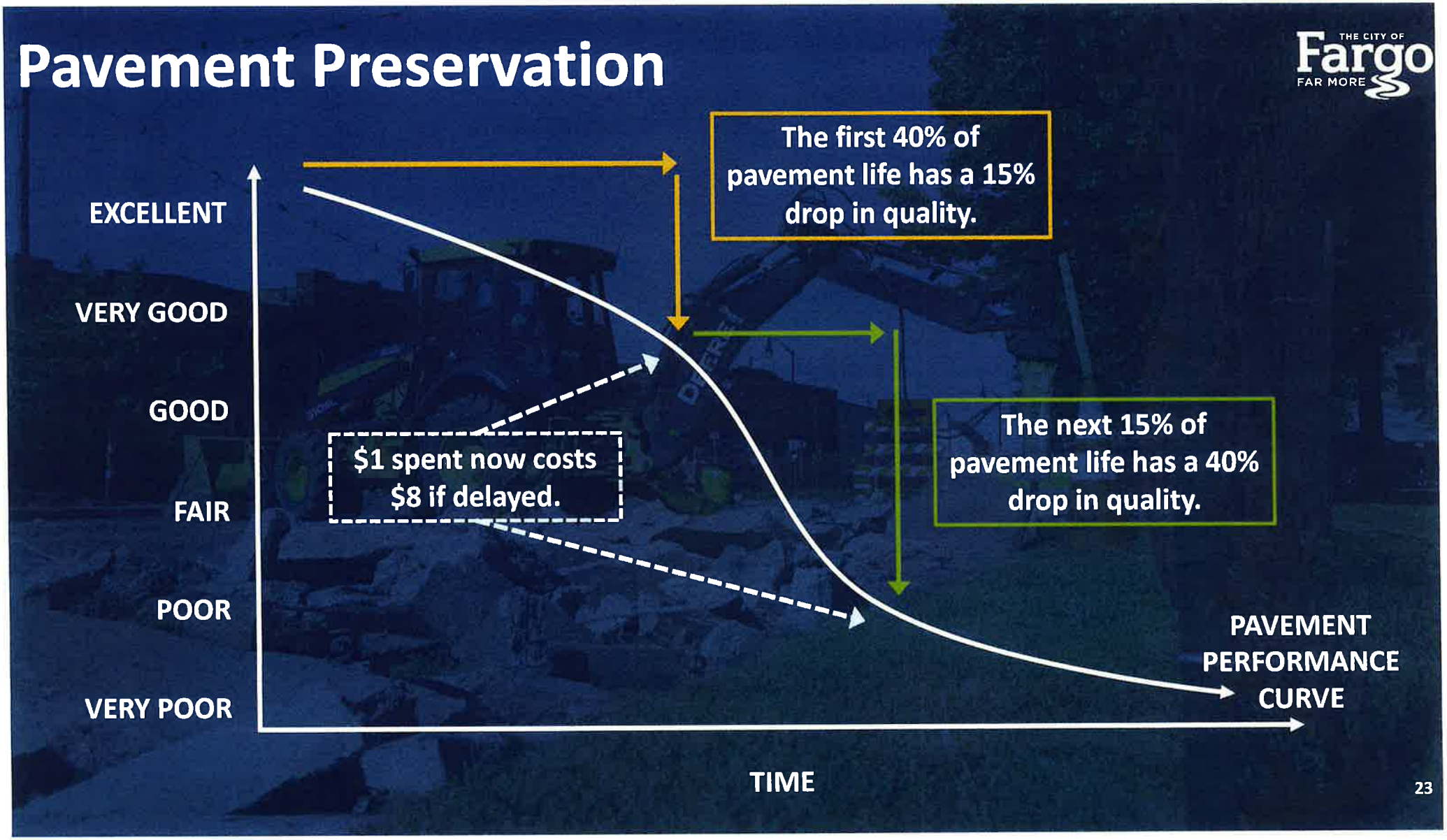

Hawthorne
Neighborhood
Recon Needs
2027
2028
2029
2030
2031
Future Recon
Areas
Previously
Reconstructed
N
2 AVE S
3 AVE S
4 AVE S
5 AVE S
6 AVE S
7 AVE S
8 AVE S
9 AVE S
10 AVE S
11 AVE S
12 AVE S
13 AVE S
10 ST S
9 ST S
8 ST S
7 ST S
6 ST S
5 ST S
4 ST S
THE CITY OF
Fargo
FAR MORE

PAVEMENT PRESERVATION PROJECTS

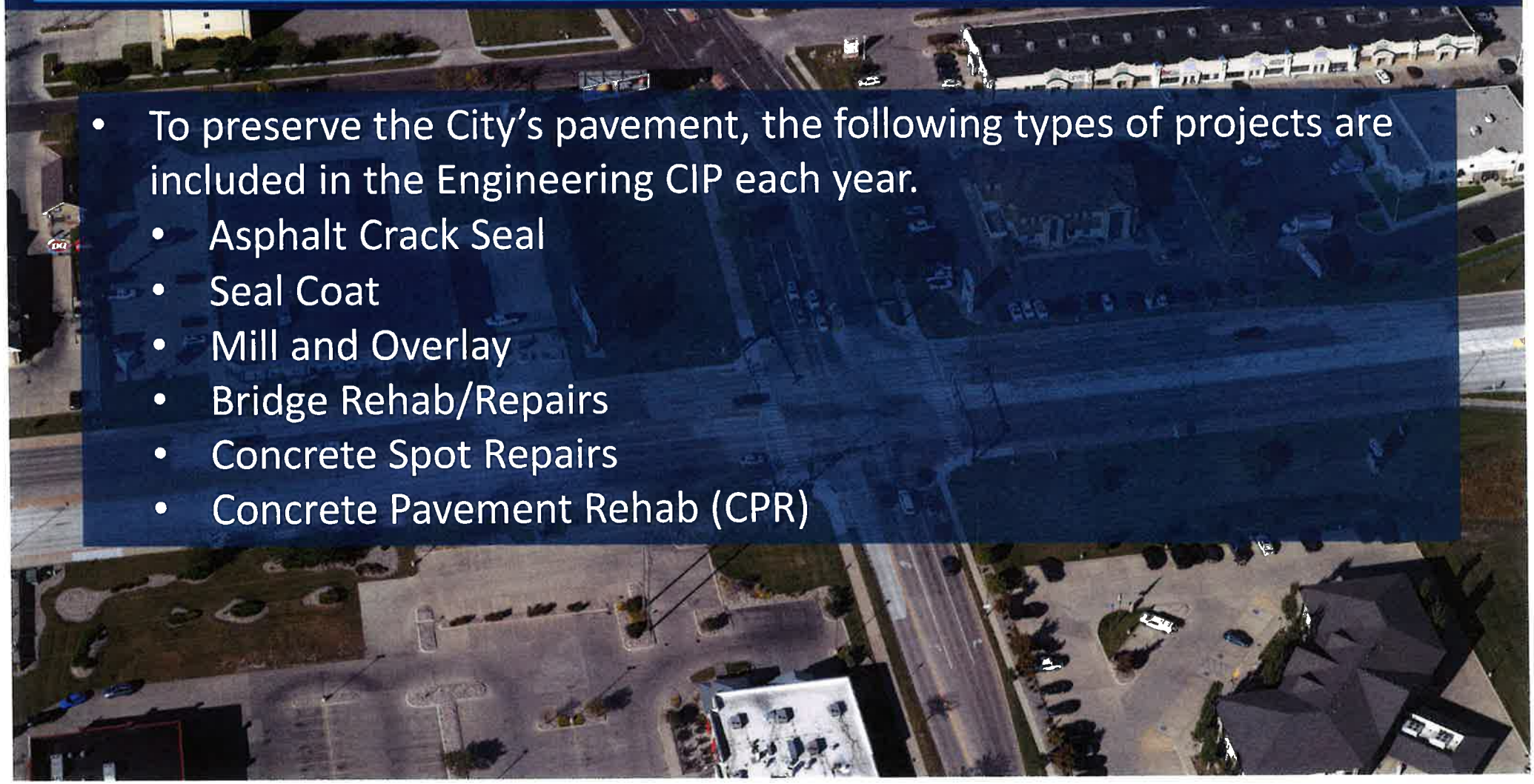


- Pavement preservation
  - Proactive approach implementing a series of low-cost, preventative maintenance treatments
  - Aimed at preserving the investment of our roadway network, extending the pavement life, and meeting our citizens' needs
- No pavement will last forever, but with timely applications of these projects we can extend the pavement life resulting in cost savings

Pavement Preservation

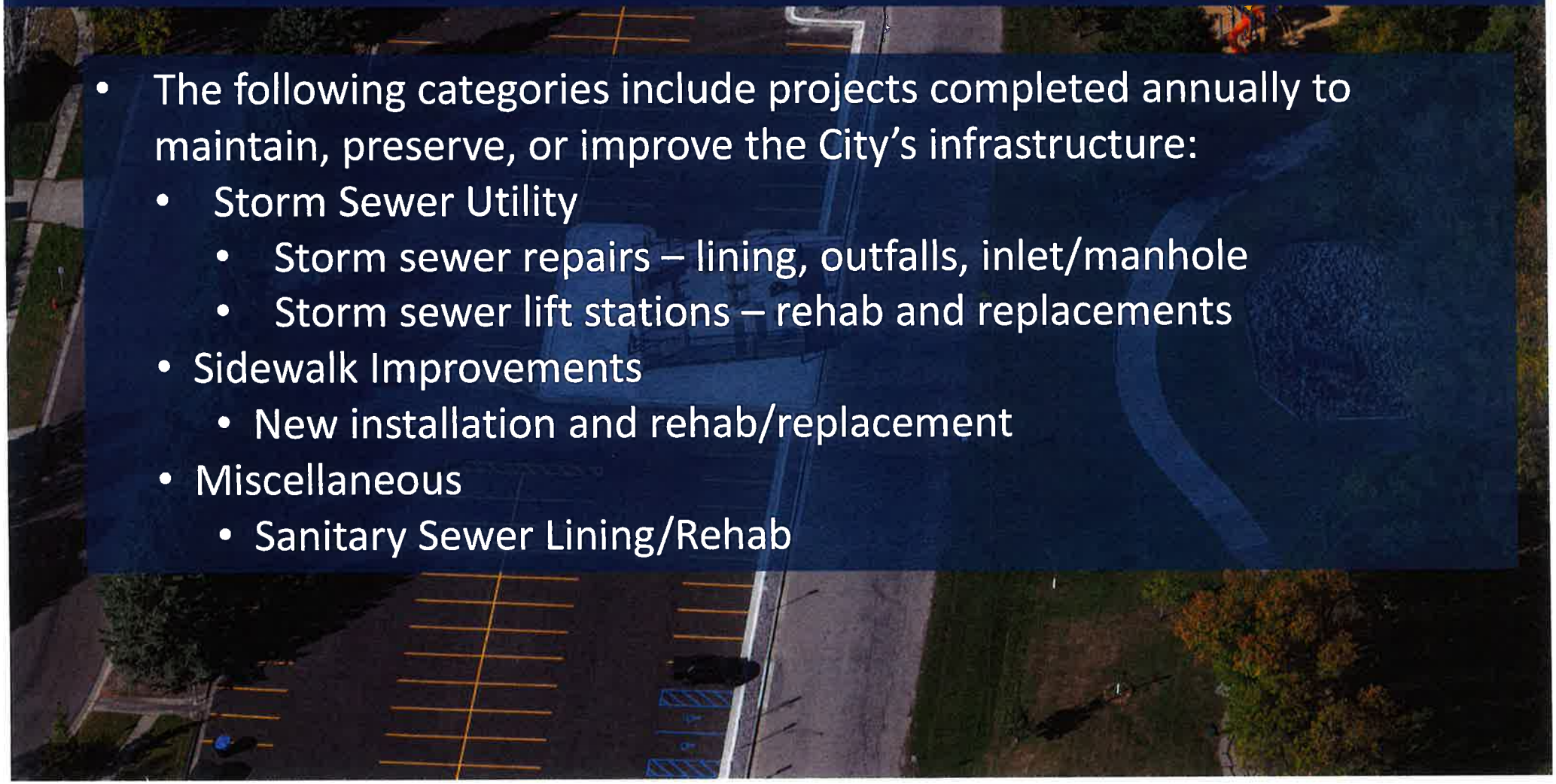


PAVEMENT PRESERVATION PROJECTS



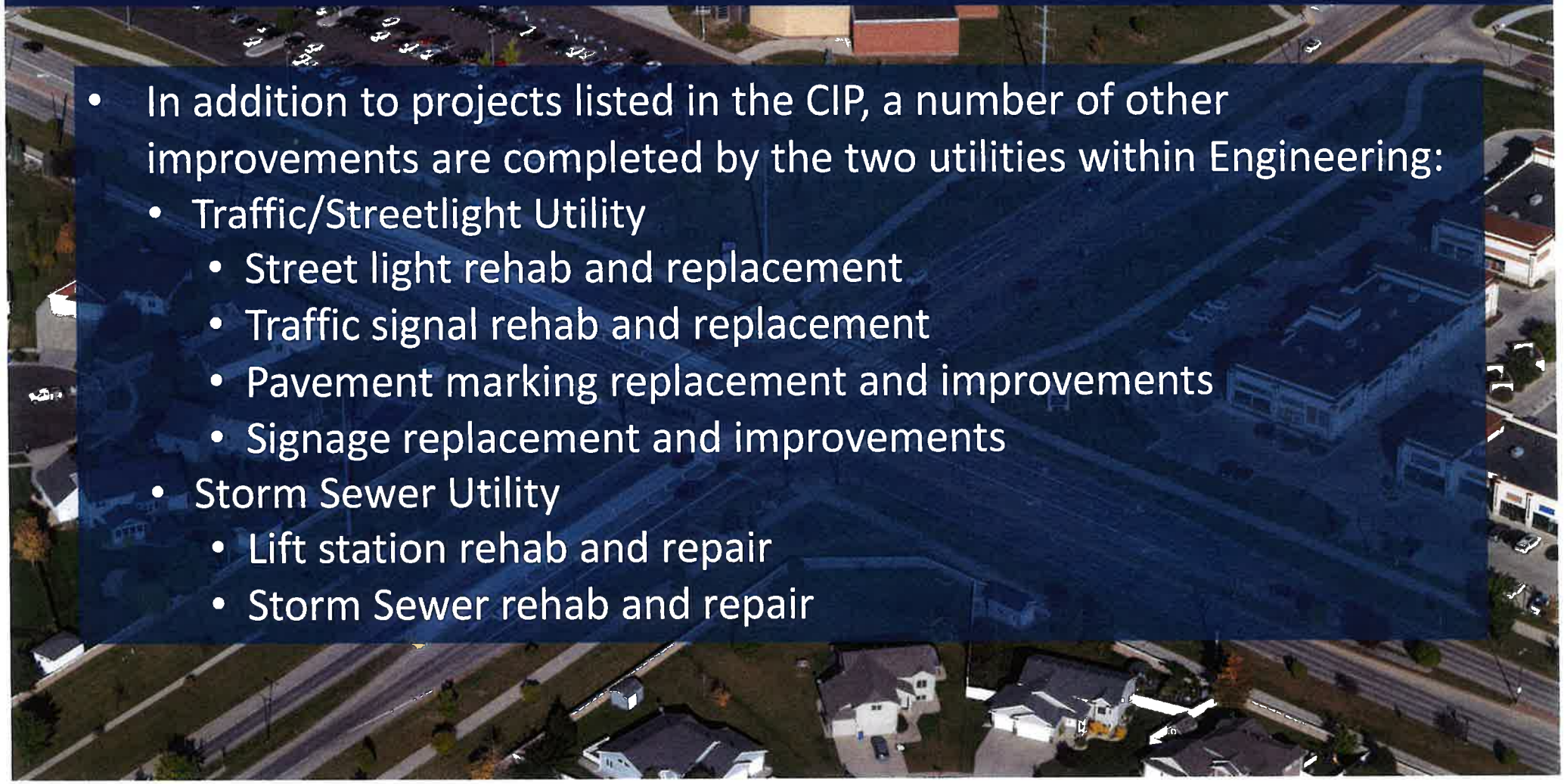
- To preserve the City's pavement, the following types of projects are included in the Engineering CIP each year.
  - Asphalt Crack Seal
  - Seal Coat
  - Mill and Overlay
  - Bridge Rehab/Repairs
  - Concrete Spot Repairs
  - Concrete Pavement Rehab (CPR)

INFRASTRUCTURE MAINTENANCE PROJECTS



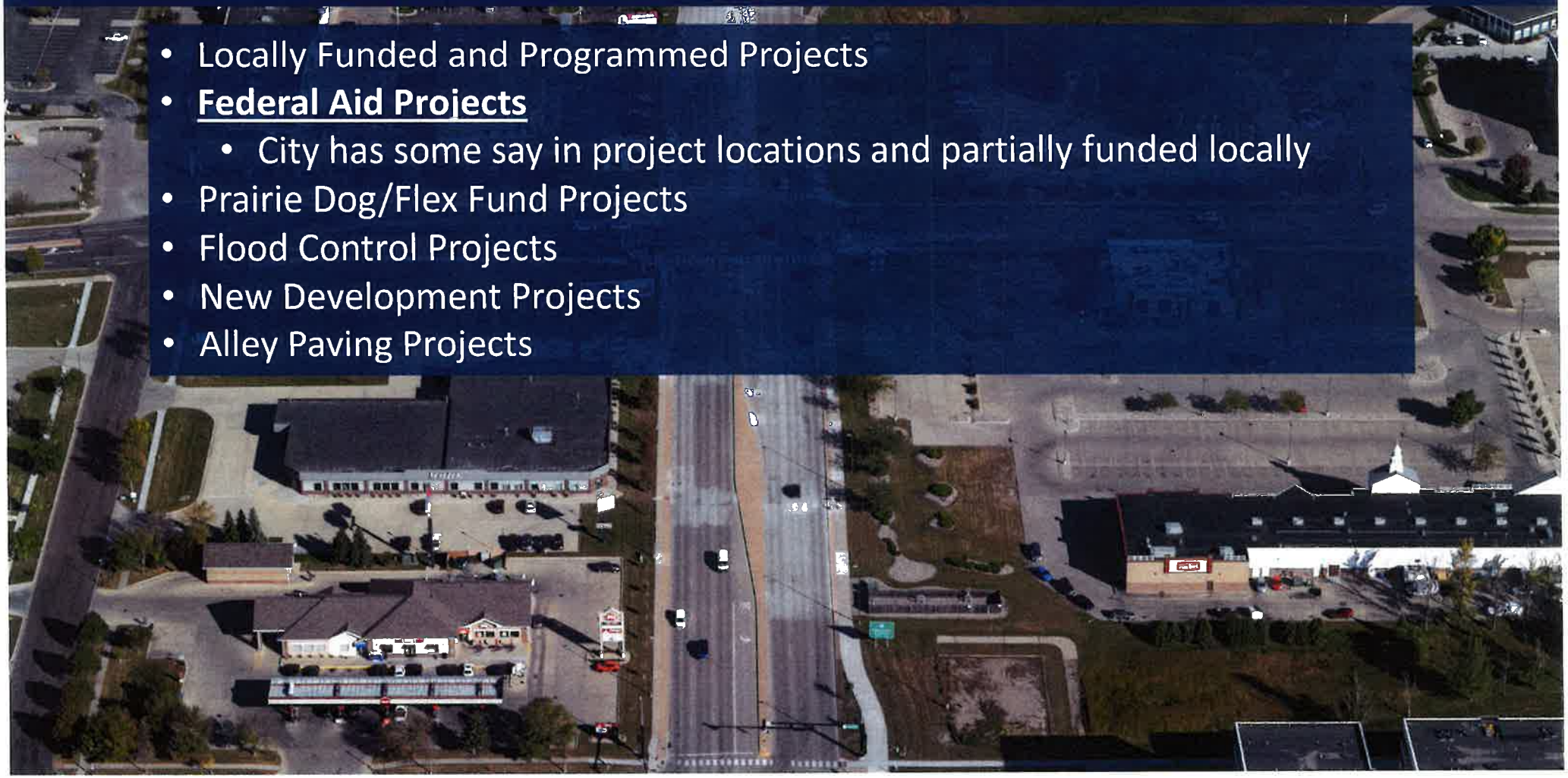
- The following categories include projects completed annually to maintain, preserve, or improve the City's infrastructure:
  - Storm Sewer Utility
    - Storm sewer repairs – lining, outfalls, inlet/manhole
    - Storm sewer lift stations – rehab and replacements
  - Sidewalk Improvements
    - New installation and rehab/replacement
  - Miscellaneous
    - Sanitary Sewer Lining/Rehab

PROJECTS COMPLETED BY RFP



- In addition to projects listed in the CIP, a number of other improvements are completed by the two utilities within Engineering:
  - Traffic/Streetlight Utility
    - Street light rehab and replacement
    - Traffic signal rehab and replacement
    - Pavement marking replacement and improvements
    - Signage replacement and improvements
  - Storm Sewer Utility
    - Lift station rehab and repair
    - Storm Sewer rehab and repair

PROJECT CATEGORIES WITHIN CIP



- Locally Funded and Programmed Projects
- **Federal Aid Projects**
  - City has some say in project locations and partially funded locally
- Prairie Dog/Flex Fund Projects
- Flood Control Projects
- New Development Projects
- Alley Paving Projects

PROJECT CATEGORIES WITHIN CIP

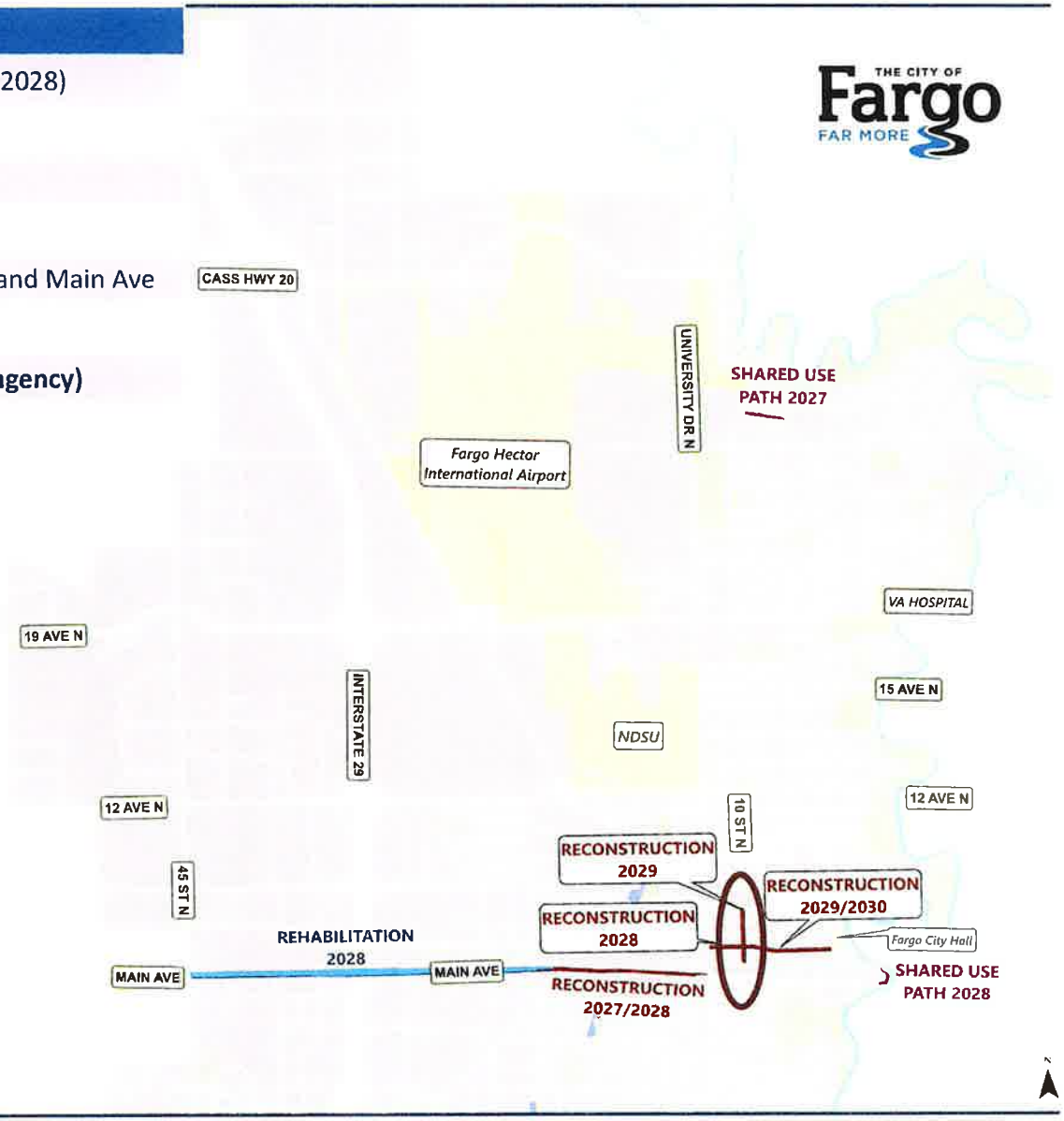


- Locally Funded and Programmed Projects
- **Federal Aid Projects**
  - Arterial Reconstruction
  - Pavement Rehabilitation
  - Shared Use Paths
  - Bridge
  - Safety Improvements
- Prairie Dog/Flex Fund Projects
- Flood Control Projects
- New Development Projects
- Alley Paving Projects

Federal Aid Projects		
Year	**Project Type**	**Location**
2027	Reconstruction	Main Ave from 25th St to University Drive (2027/2028) (NDDOT is lead agency)
	Reconstruction	17th Ave S from 25th St S to University Drive
	Shared Use Path	South side of Water Reclamation Facility
	Bridge	Bike/Pedestrian Bridge – Over Red River at 40th Ave S (Bluestem)
2028	Reconstruction	1st Ave N from University Drive N to 10th St N
	Pavement Rehab	Main Ave from 45th St to 25th St (NDDOT is lead agency)
	Shared Use Path	Drain 27/Deer Creek – 52nd Ave S to 64th Ave S
	Shared Use Path	Red River Path replacement between NP Ave N and Main Ave
	Bridge	I-29/64th Ave S – Interchange Ramps and Bridge Widening
2029	Reconstruction	1st Ave N from 10th St N to 3rd St N (2029/2030)
	Reconstruction	10th St N from NP Ave to 4th St N (NDDOT is lead agency)
	Shared Use Path	Drain 27/Deer Creek – Veterans Blvd to 63rd St S
2030	**Pavement Rehab**	**52nd Ave S from I-29 to University Dr (NDDOT is lead agency)**
	Reconstruction	**17th Ave S from 25th St S to 38th St S (2030/2031)**

ear	Project Type	Location
027	Reconstruction	Main Ave from 25th St to University Drive (2027/2028)
	Shared Use Path	South side of Water Reclamation Facility
028	Reconstruction	1st Ave N from University Drive N to 10th St N
	Pavement Rehab	Main Ave from 45th St to 25th St
	Shared Use Path	Red River Path replacement between NP Ave N and Main Ave
029	Reconstruction	1st Ave N from 10th St N to 3rd St N (2029/2030)
	Reconstruction	**10th St N from NP Ave to 4th St N (NDDOT lead agency)**

[redacted]



Year	Type	Location
2027	Recon	17th Ave S from 25th St S to University Drive
	Bridge	Bike/Pedestrian Bridge – Over Red River at 40th Ave S (Bluestem)
2028	Path	Drain 27/Deer Creek – 52nd Ave S to 64th Ave S
	Bridge	I-29/64th Ave S – Interchange Ramps and Bridge Widening
2029	Path	Drain 27/Deer Creek – Veterans Blvd to 63rd St S
2030	Rehab	52nd Ave S from I-29 to University Dr (NDOT is lead agency)
	Recon	**17th Ave S from 25th St S to 38th St S (2030/2031)**

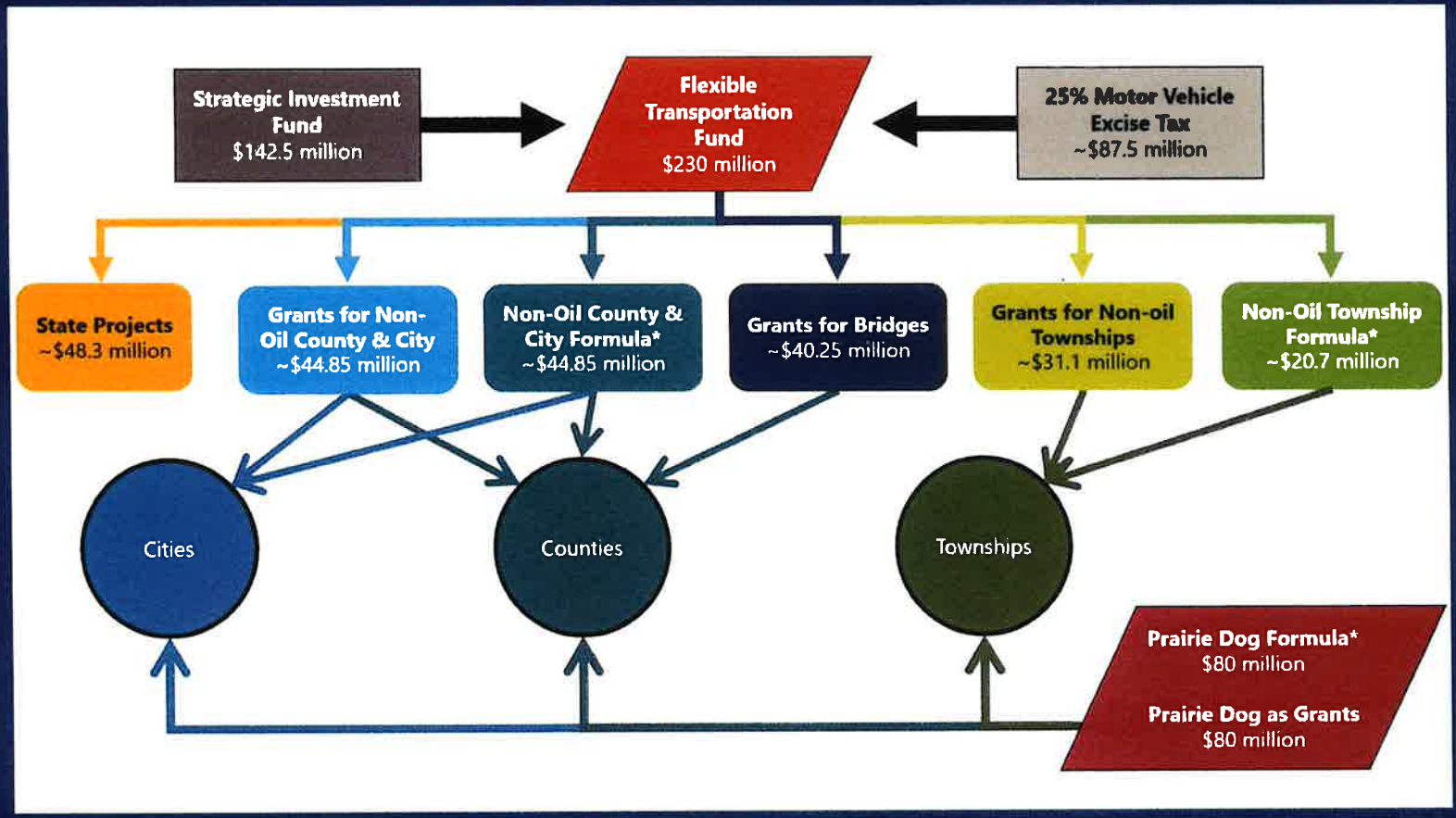


PROJECT CATEGORIES WITHIN CIP



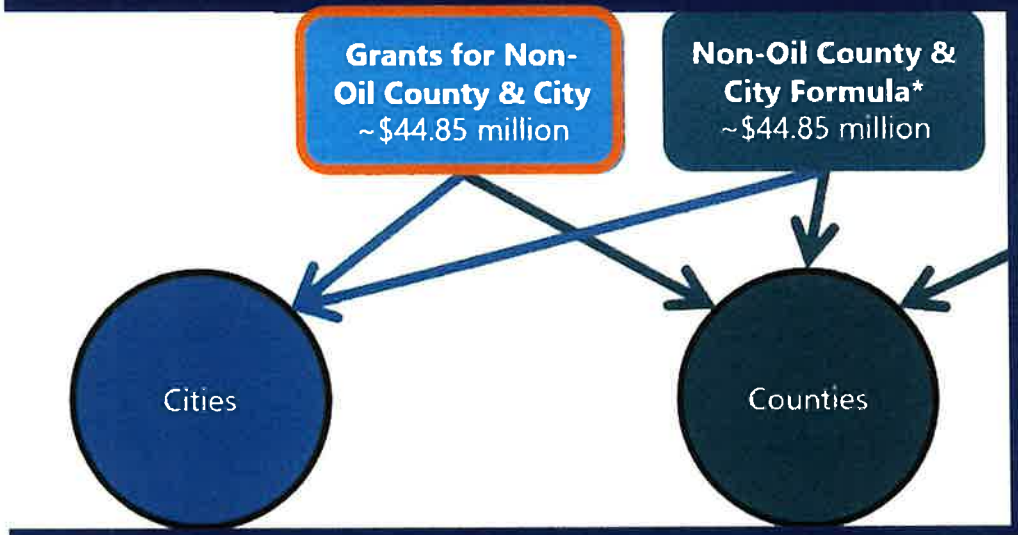
- Locally Funded and Programmed Projects
- Federal Aid Projects
- **Prairie Dog/Flex Fund Projects**
  - City determines project locations and are possible only with Prairie Dog Funds and/or Flex Funds
- Flood Control Projects
- New Development Projects
- Alley Paving Projects

NDDOT FLOWCHART OF FUNDS



THE CITY OF Fargo FAR MORE

FLEXIBLE TRANSPORTATION FUND (FLEX FUND)

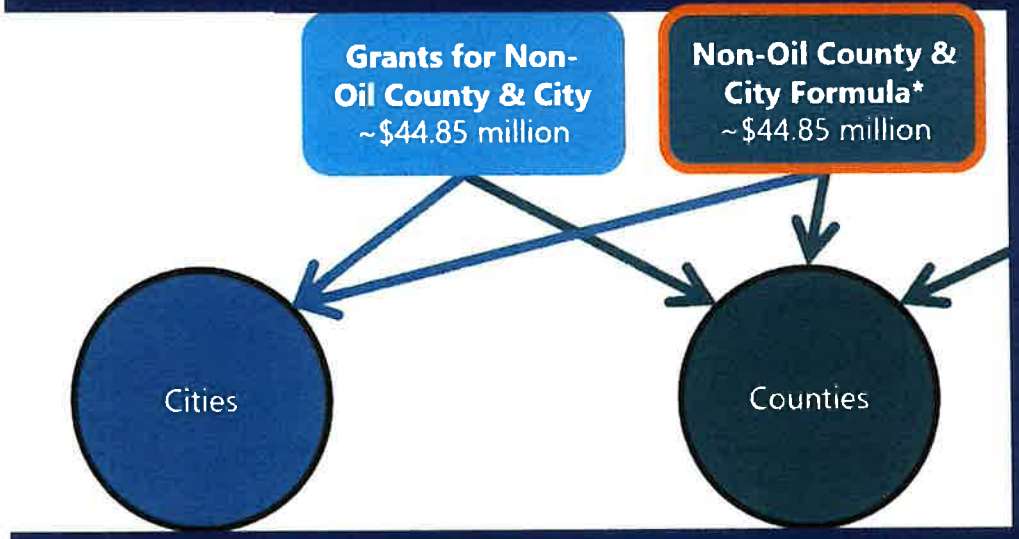


Grants for Non-Oil County & City

- $44.85 million
  - 50% to non-oil counties
  - 25% to small cities
  - 25% to large cities
    - Population of 5,000 or greater as of the 2020 census
- $11.21 million in grants to be split:
  - Fargo, Bismarck, Grand Forks, Minot, West Fargo, Dickinson, Mandan, Jamestown, Wahpeton, Devils Lake, and Valley City

THE CITY OF Fargo FAR MORE

FLEXIBLE TRANSPORTATION FUND (FLEX FUND)

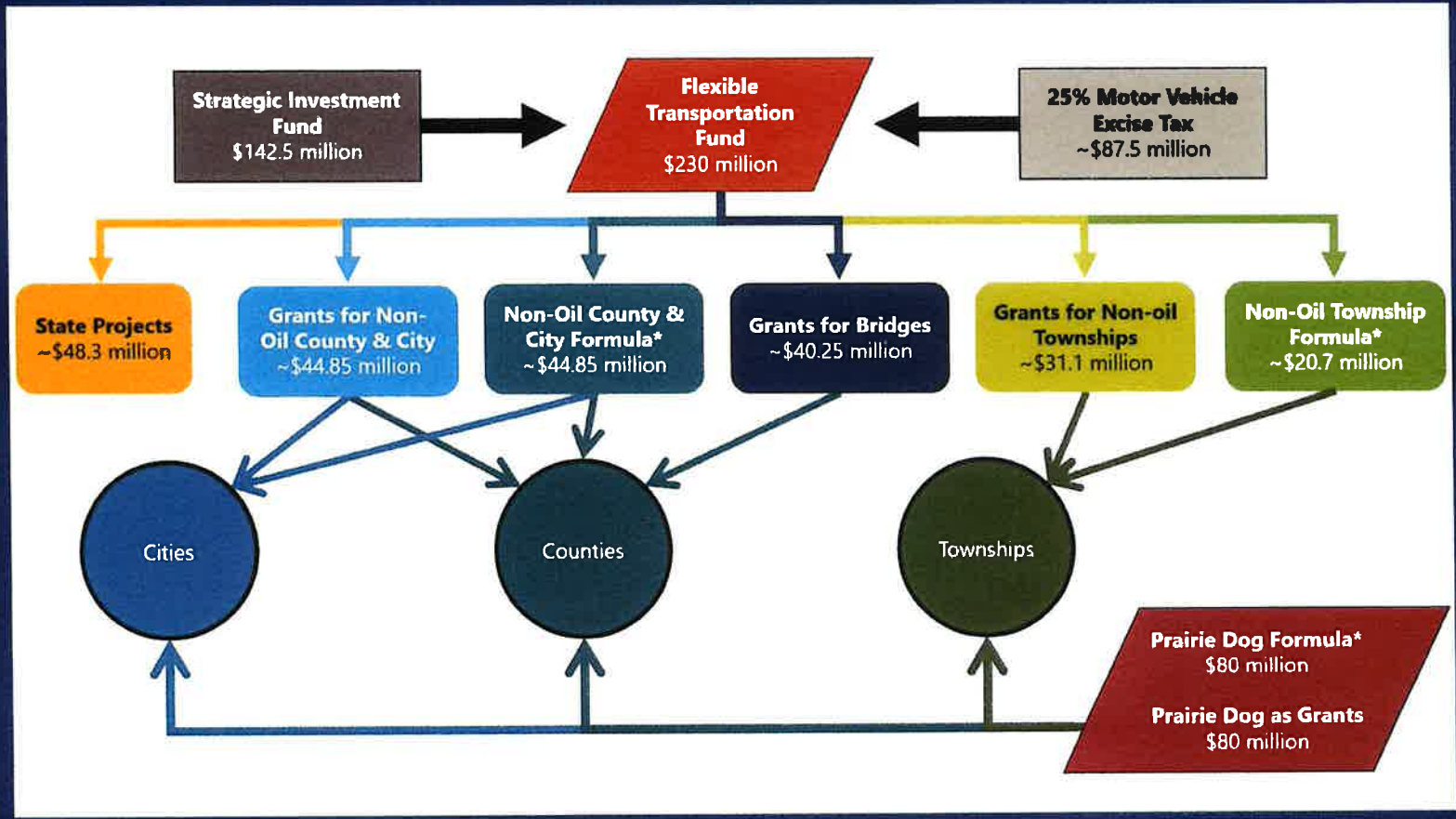


Non-Oil County & City Formula

- Total distribution to Fargo is $3,228,046
- To Fund 480 (Engineering CIP):
  - August 2025 Distribution = $2,001,388
  - Additional 2025 Distribution = $204,443
  - 2027 Distribution = $408,886
- To General Fund (Public Works Pavement Maintenance):
  - 2026 Distribution = $613,329

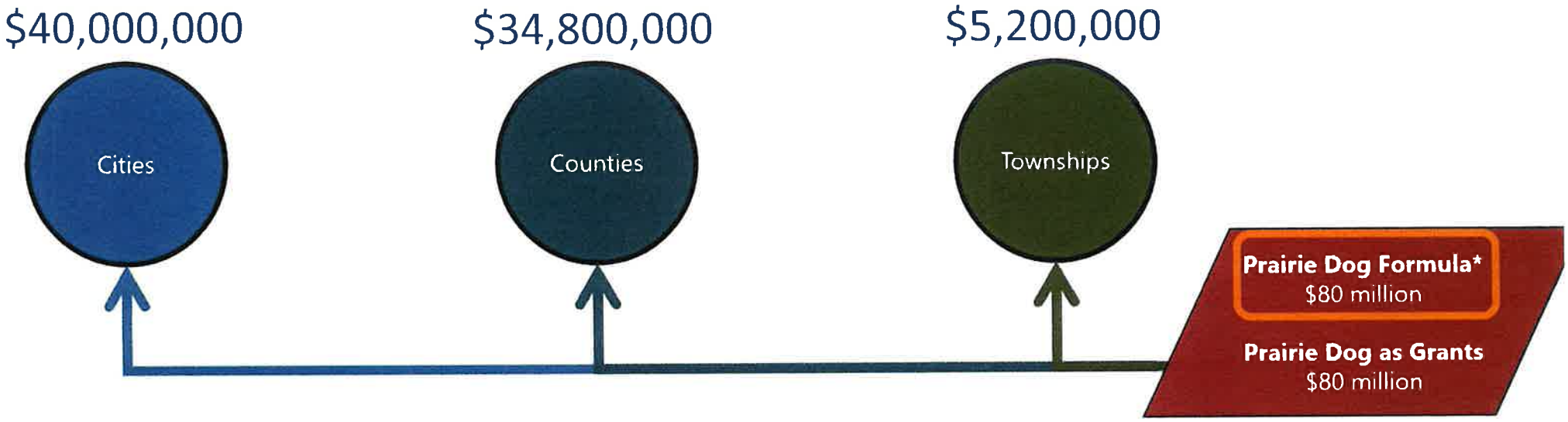
THE CITY OF Fargo FAR MORE

NDDOT FLOWCHART OF FUNDS

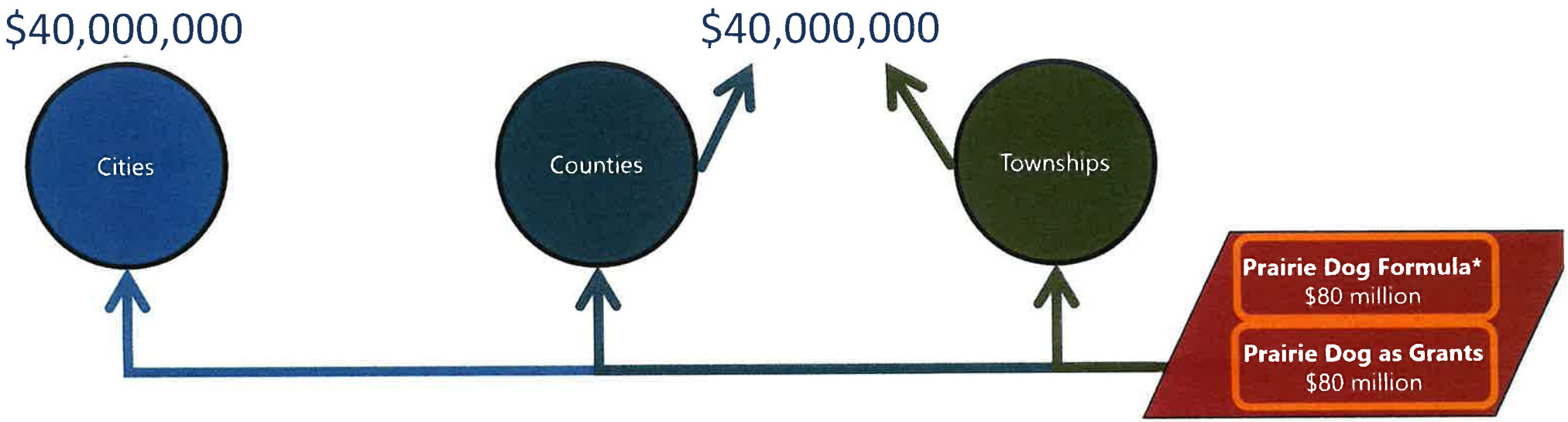


THE CITY OF Fargo FAR MORE

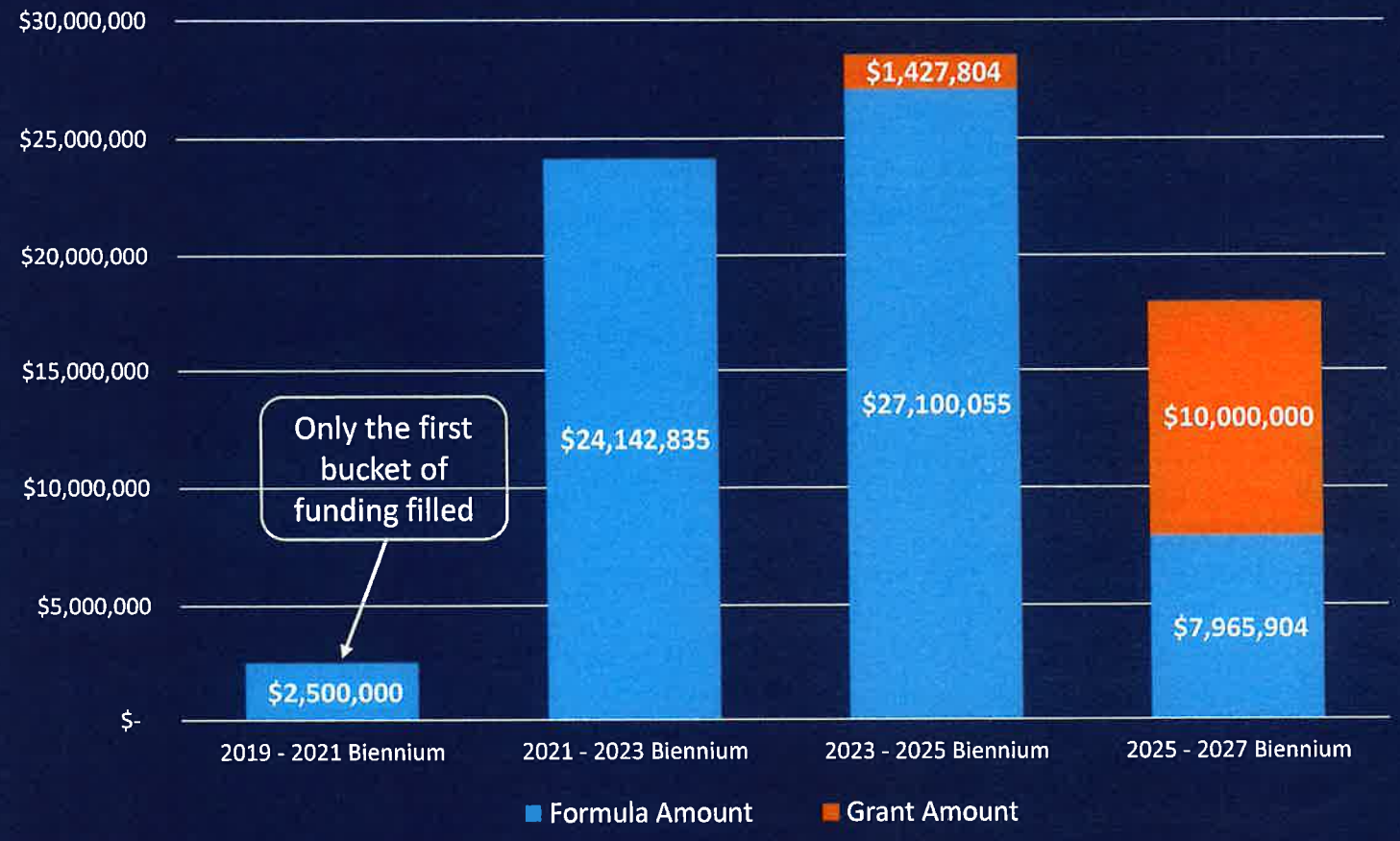
PRAIRIE DOG FUNDS – FORMULA



PRAIRIE DOG FUNDS - GRANTS



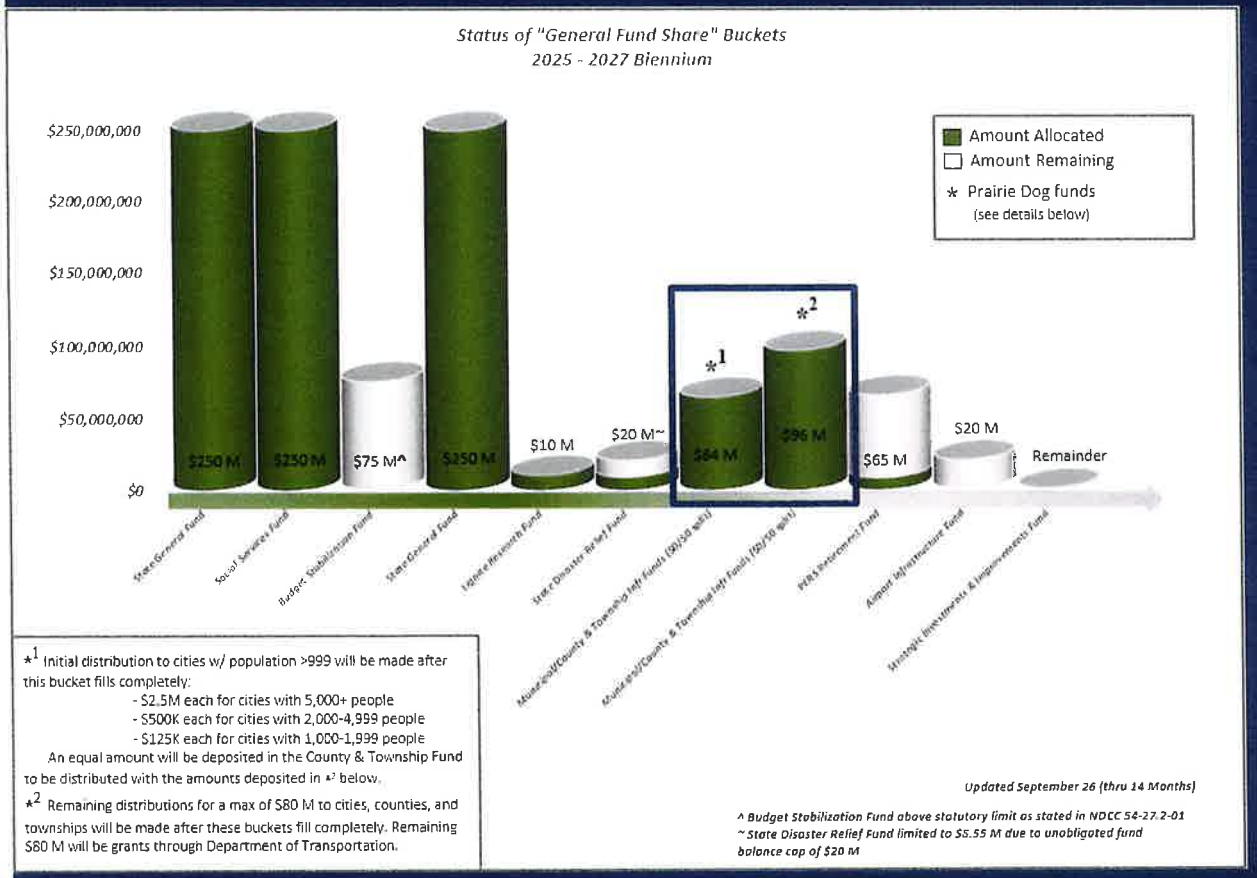
PRAIRIE DOG/FLEX FUNDS



Total Amount Received	
Biennium	**Total**
2019 - 2021	$ 2,500,000
2021 - 2023	$ 24,142,835
2023 - 2025	$ 28,527,859
2025 - 2027	$ 17,965,904
Total	**$ 73,136,598**

THE CITY OF Fargo FAR MORE

PRAIRIE DOG FUND TRACKING



Funding Milestones:

- Bucket #1 Filled:
  - August 2026
- Bucket #2 Filled:
  - September 2026

CIP Timeline:

- Prairie Dog funds are generally deployed across a 2-year window once buckets fill.
- 2023–2025 Funds:
  - Applied to 2025 & 2026 CIPs
- 2025–2027 Funds:
  - Applied to 2027 & 2028 CIPs

THE CITY OF Fargo FAR MORE

PROJECT CATEGORIES WITHIN CIP



- Locally Funded and Programmed Projects
- Federal Aid Projects
- **Prairie Dog/Flex Fund Projects**
  - The goal was to program necessary projects, such as pavement rehabilitation, core neighborhood improvements, and arterial reconstruction, that could not be supported by available sales tax revenues.
- Flood Control Projects
- New Development Projects
- Alley Paving Projects

Prairie Dog/Flex Fund Projects

Year	Project Type	Funding Source	Location
2027	Pavement Rehabilitation	Prairie Dog as Grant	Concrete Pavement Rehab (45th St S from I-94 to 15th Ave S)
	Arterial Reconstruction	2023–25 Biennium Formula	4th St S from Main Ave to 1st Ave N
	Arterial Reconstruction	2025–27 Biennium Formula	1st Ave N from University Drive to 8th St N
2028	Interchange	2023–25 Biennium Formula	I-29/64th Ave S Interchange
	Arterial Reconstruction	2025–27 Biennium Formula	1st Ave N from 8th St N to 3rd St N

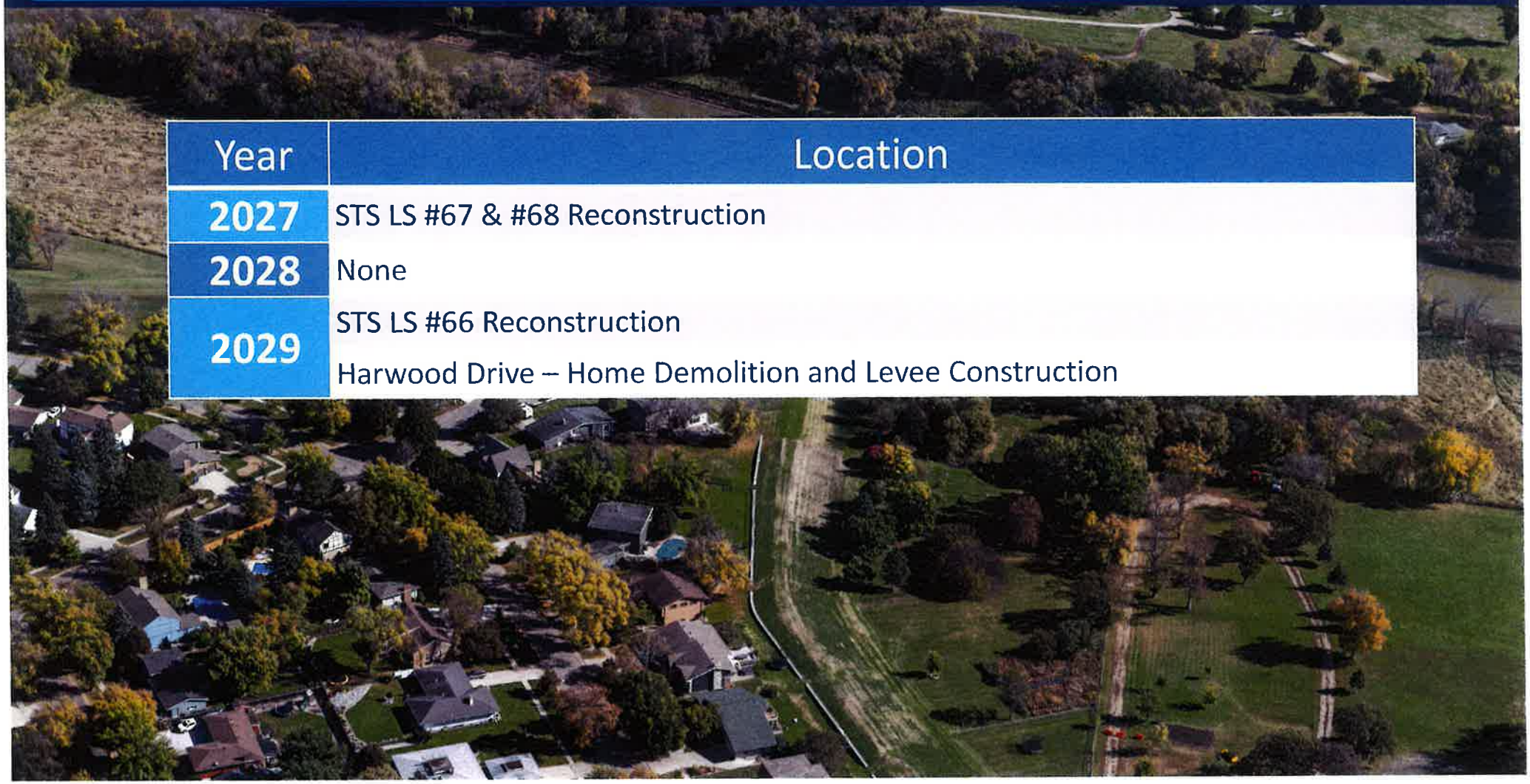
PROJECT CATEGORIES WITHIN CIP



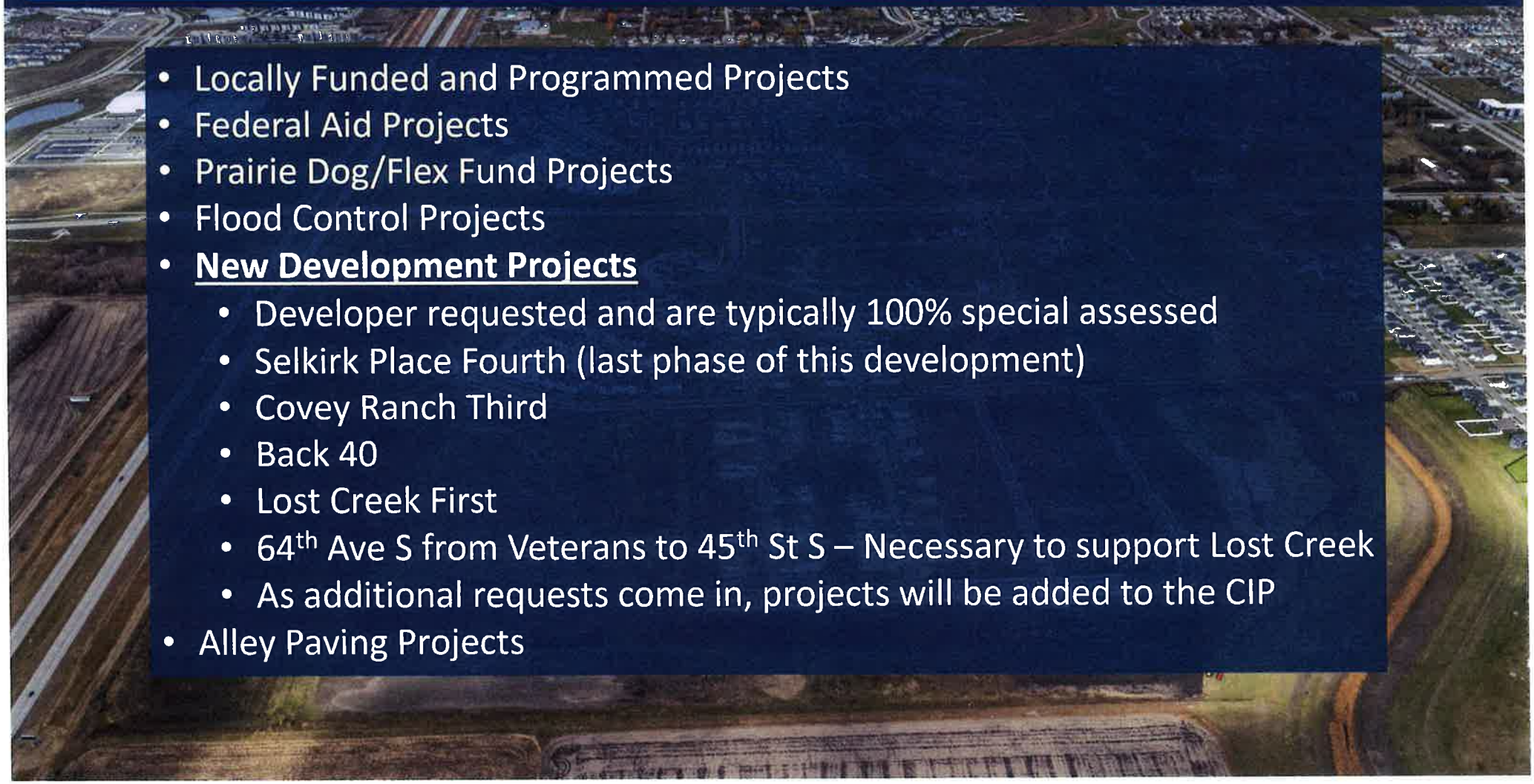
- Locally Funded and Programmed Projects
- Federal Aid Projects
- Prairie Dog/Flex Fund Projects
- **Flood Control Projects**
  - City oversees in-town projects (project locations determined as part of overall FM Diversion project) and funded by Diversion Authority
- New Development Projects
- Alley Paving Projects

FLOOD CONTROL PROJECTS

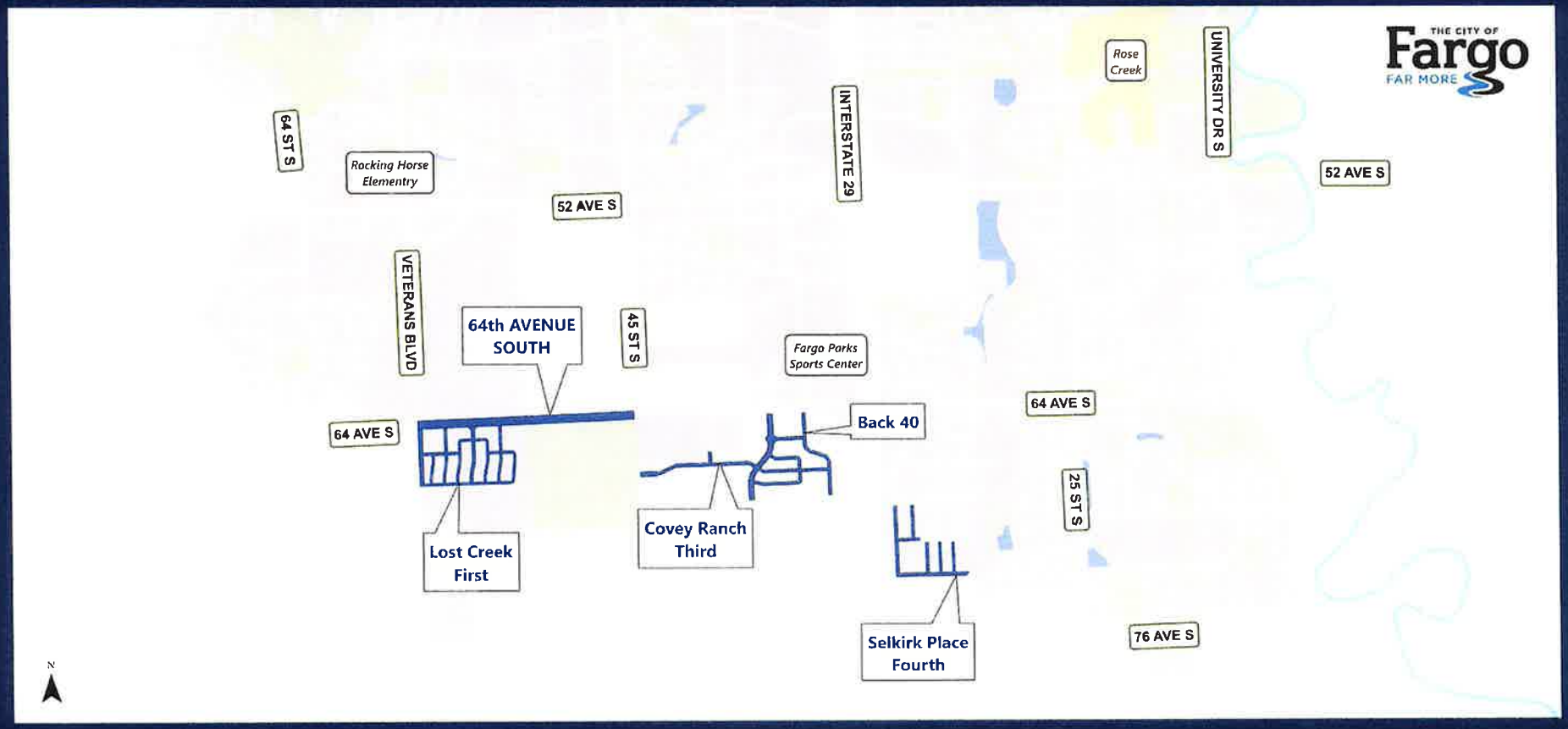
Year	Location
2027	STS LS #67 & #68 Reconstruction
2028	None
2029	STS LS #66 Reconstruction
	Harwood Drive – Home Demolition and Levee Construction



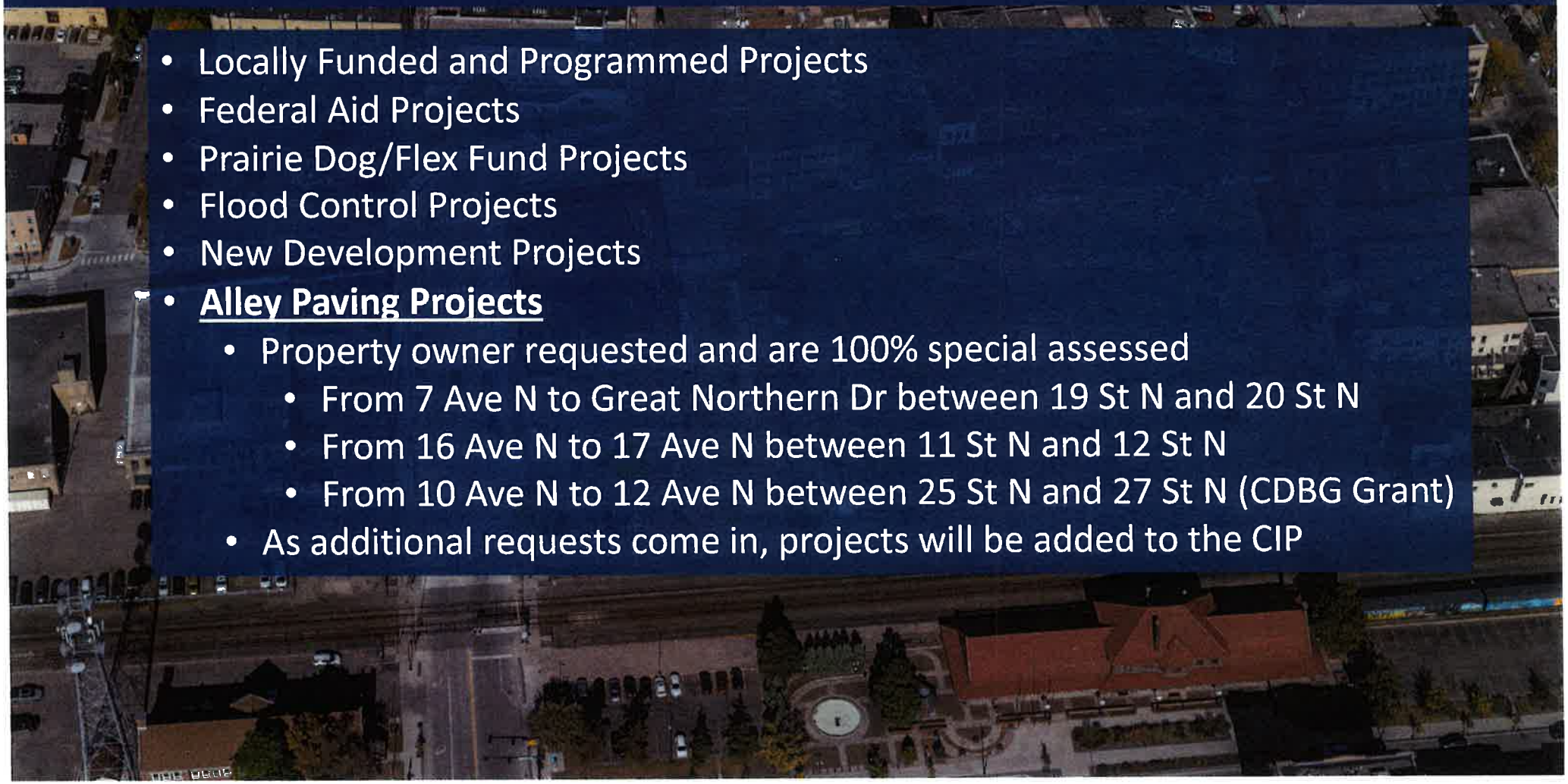
PROJECT CATEGORIES WITHIN CIP



- Locally Funded and Programmed Projects
- Federal Aid Projects
- Prairie Dog/Flex Fund Projects
- Flood Control Projects
- **New Development Projects**
  - Developer requested and are typically 100% special assessed
  - Selkirk Place Fourth (last phase of this development)
  - Covey Ranch Third
  - Back 40
  - Lost Creek First
  - 64th Ave S from Veterans to 45th St S – Necessary to support Lost Creek
  - As additional requests come in, projects will be added to the CIP
- Alley Paving Projects

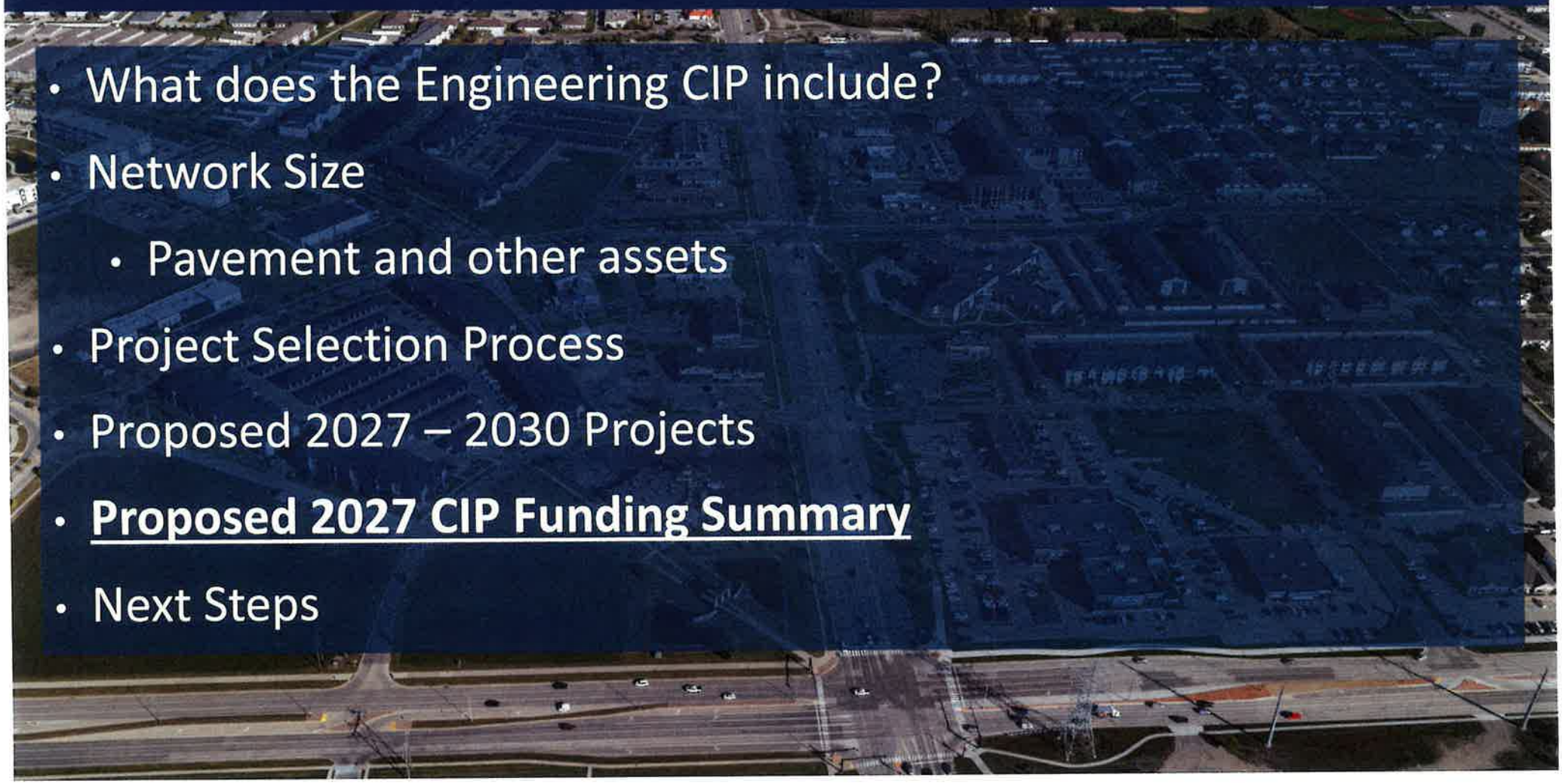

THE CITY OF Fargo FAR MORE
64 ST S
Rocking Horse Elementry
52 AVE S
INTERSTATE 29
Rose Creek
UNIVERSITY DR S
52 AVE S
VETERANS BLVD
64th AVENUE SOUTH
45 ST S
Fargo Parks Sports Center
64 AVE S
Back 40
64 AVE S
25 ST S
Lost Creek First
Covey Ranch Third
Selkirk Place Fourth
76 AVE S
N

PROJECT CATEGORIES WITHIN CIP



- Locally Funded and Programmed Projects
- Federal Aid Projects
- Prairie Dog/Flex Fund Projects
- Flood Control Projects
- New Development Projects
- **Alley Paving Projects**
  - Property owner requested and are 100% special assessed
    - From 7 Ave N to Great Northern Dr between 19 St N and 20 St N
    - From 16 Ave N to 17 Ave N between 11 St N and 12 St N
    - From 10 Ave N to 12 Ave N between 25 St N and 27 St N (CDBG Grant)
  - As additional requests come in, projects will be added to the CIP

Presentation Summary



- What does the Engineering CIP include?
- Network Size
  - Pavement and other assets
- Project Selection Process
- Proposed 2027 – 2030 Projects
- **Proposed 2027 CIP Funding Summary**
- Next Steps

SUMMARY OF COSTS

Cost by Category	2026 CIP	2027 CIP	2028 CIP	2029 CIP	2030 CIP	2027-2030 Average
Core Neighborhood	$ 13,755,391	$ 16,838,275	$ 13,187,705	$ 21,081,723	$ 22,914,917	$ 18,505,655
Pavement Preservation	$ 7,894,406	$ 12,574,901	$ 12,884,236	$ 13,596,136	$ 13,911,136	$ 13,241,602
Storm Sewer Utility	$ 3,238,181	$ 3,906,000	$ 4,032,000	$ 4,032,000	$ 4,032,000	$ 4,000,500
Sidewalk	$ 2,169,183	$ 1,890,000	$ 2,016,000	$ 2,016,000	$ 2,016,000	$ 1,984,500
Miscellaneous	$ 7,267,393	$ 2,205,000	$ 2,614,500	$ 2,614,500	$ 2,614,500	$ 2,512,125
Federal Aid	$ 51,450,996	$ 25,216,784	$ 76,805,754	$ 15,173,691	$ 39,361,651	$ 39,139,470
Prairie Dog/Flex Fund	$ 21,188,402	$ 16,235,003	$ -	$ -	$ -	$ 4,058,751
Flood Control	$ 16,803,034	$ 8,010,000	$ -	$ 8,435,488	$ 4,912,000	$ 5,339,372
Total CIP:	$ 123,766,985	$ 86,875,963	$ 111,540,194	$ 66,949,538	$ 89,762,204	$ 88,781,975

THE CITY OF Fargo FAR MORE

CIP FUNDING

Voter Approved

- Sales Tax
- Utility Funds
- Prairie Dog/ Flex Funds
- Federal Funds
- Special Assessments

Keeps utility rates and special assessments lower

¼ cent sales tax is the only city funding source used for streets

THE CITY OF Fargo FAR MORE

Sales Tax Summary in The City of Fargo



State of ND | Cass County | The City of Fargo

- **1%** — **Flood Control** *Ends Dec. 2084*
- **1%** — **Infrastructure** *Ends Dec. 2048*
  - Flood Control
  - Water
  - Wastewater
  - Streets
- **.25%** — **Public Safety** *Ends Dec. 2045*

CIP FUNDING



Sales Tax



Utility Funds



Prairie Dog/ Flex Funds



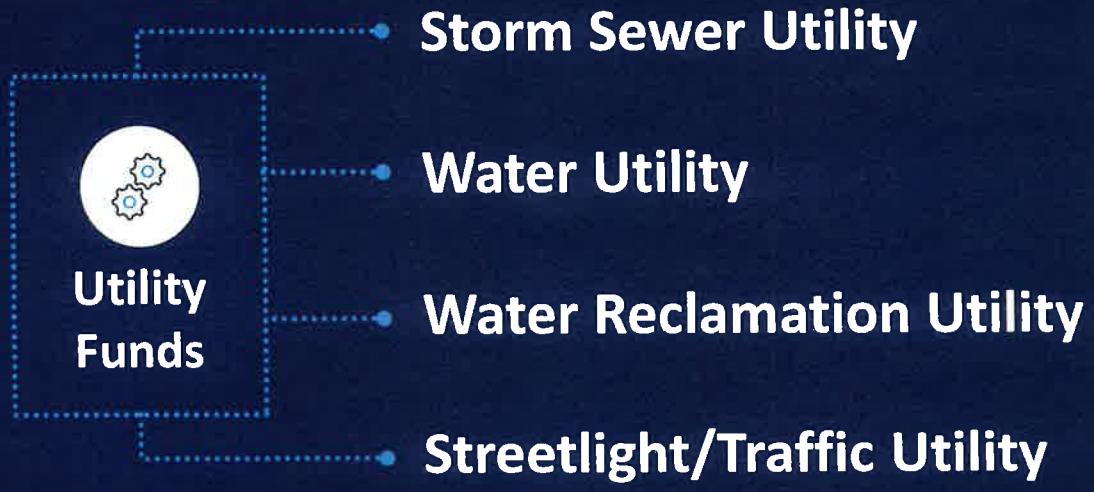
Federal Funds



Special Assessments

THE CITY OF Fargo FAR MORE

CIP FUNDING



THE CITY OF Fargo FAR MORE

CIP FUNDING

- Sales Tax
- Utility Funds
- Prairie Dog/ Flex Funds
- Federal Funds
- Special Assessments

THE CITY OF Fargo FAR MORE

CIP FUNDING

Urban Roads
All City arterials and collectors

Urban Regional Highway
US 10 and 81

Transportation Alternatives
Shared Use Paths and Safe Routes to School

Highway Safety Improvement Program
Correct or eliminate potential safety hazard



Federal Funds

Urban Grant Program
Specifically for downtowns

Rail Safety
Improve railroad/street crossings

Recreational Trails Program

Special Roads
Recreational, tourist and historical areas

Distributed to MetroCOG and allocated by the Policy Board

THE CITY OF Fargo FAR MORE

CIP FUNDING

- Sales Tax
- Utility Funds
- Prairie Dog/ Flex Funds
- Federal Funds
- Special Assessments

THE CITY OF Fargo FAR MORE

CIP FUNDING

Governed by ND Century Code

Chapter 40-22 and Chapter 40-23

ND Supreme Court Ruling on September 17, 2024

Requires Special Assessment Commission to determine benefit in dollars independent of, and without regard to, the cost of the improvement district



Special Assessments

Ruling added step in process

But does not impact the City's ability to special assess (as long as benefit exceeds cost)

CIP FUNDING

Infrastructure Funding Policy
Determines how costs are allocated
Adopted by City Commission

Paving rehab (mill and overlay)
50% special assessed & 50% City funded



Special Assessments

Most other items are "capped"
Water, sewer and pavement replacement

2026 Core Neighborhood Street Recon and Utility Replacement Projects
Approximately 18.1% Special Assessed

THE CITY OF Fargo FAR MORE

WHAT ARE SPECIAL ASSESSMENT CAPS?

The way in which the City of Fargo limits the maximum amount a property owner will pay for an improvement

Provides for a predictable special assessment amount for property owners

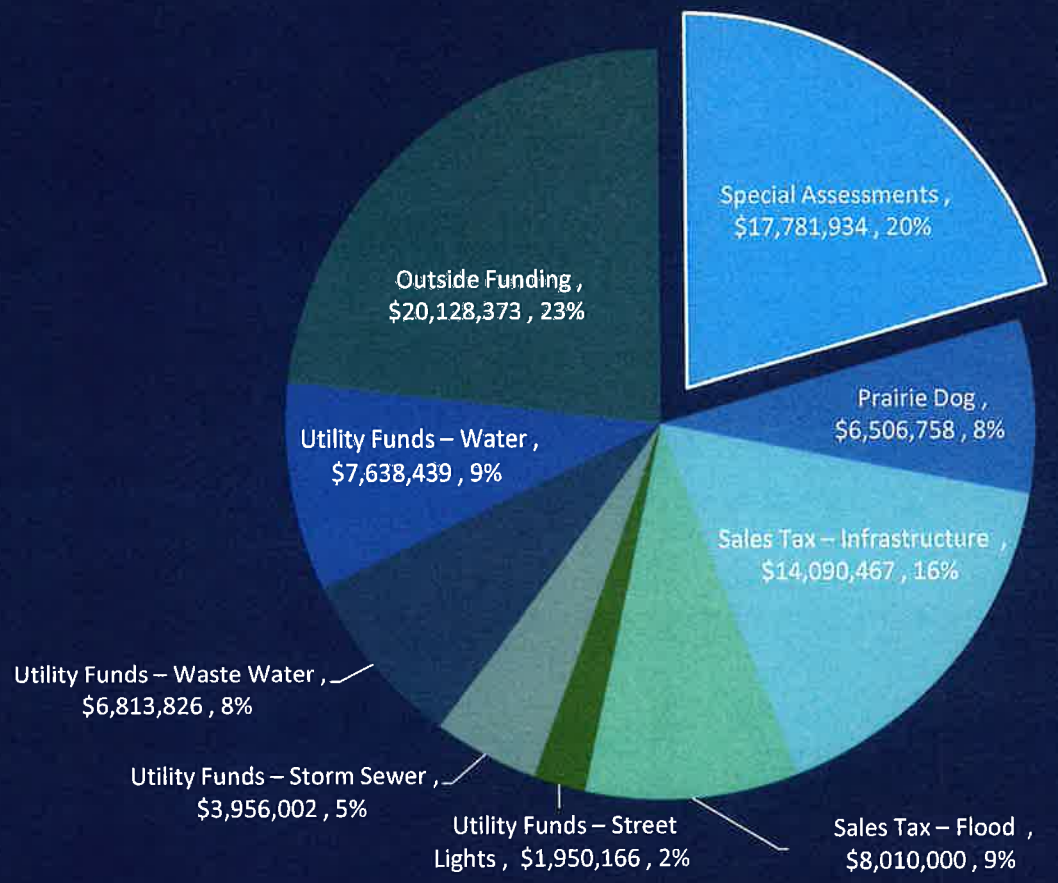


Special Assessments

Ensures all property owners are treated fairly and consistently

THE CITY OF Fargo FAR MORE

2027 CIP FUNDING SUMMARY – $ BY FUND



THE CITY OF Fargo FAR MORE

STREETS SALES TAX

HISTORY AND PROJECTED

Recently, the NEEDS have outpaced the REVENUES, resulting in a diminishing FUND BALANCE.



THE CITY OF Fargo FAR MORE

STREETS SALES TAX

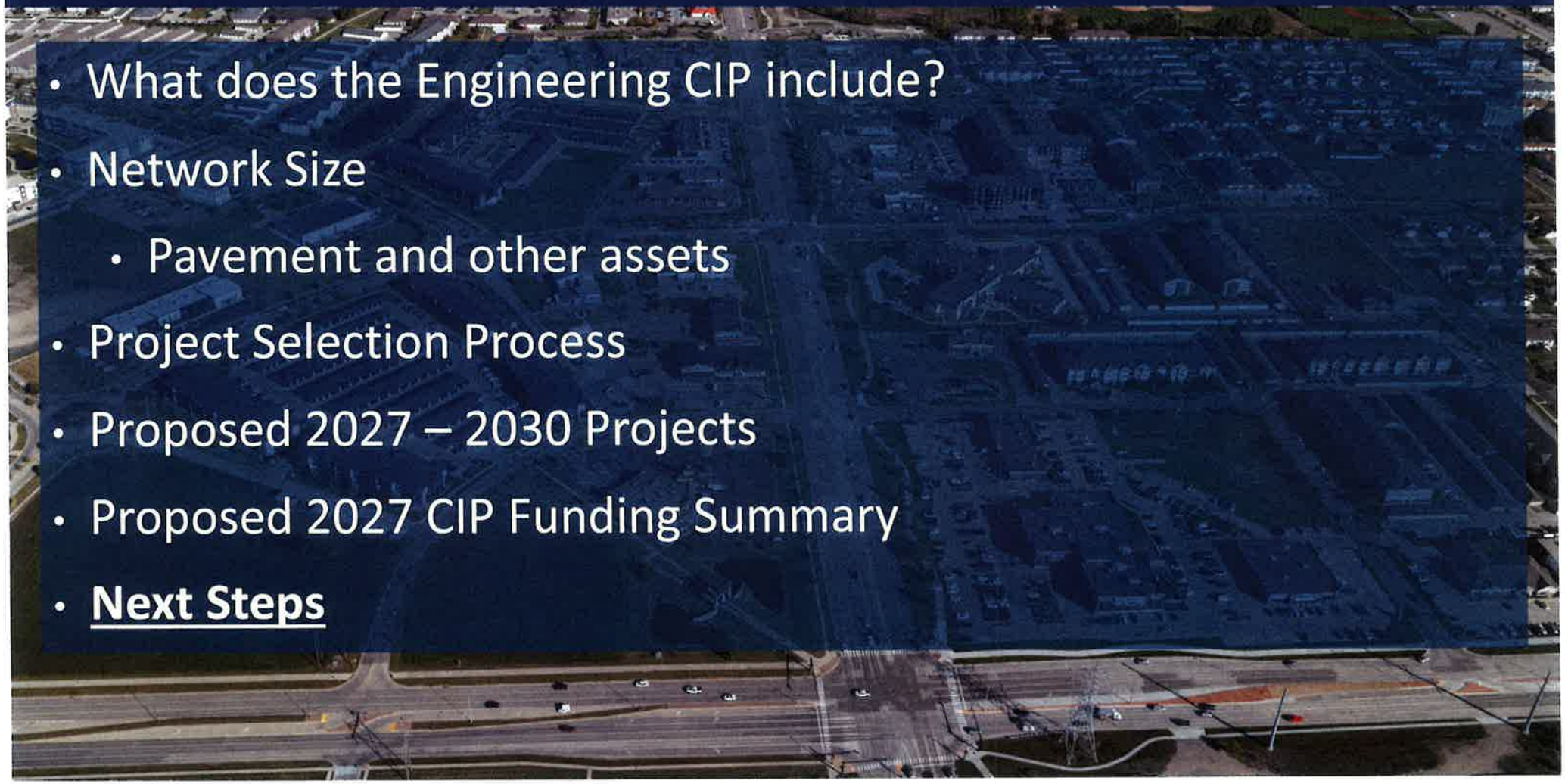
HISTORY AND PROJECTED

The utility rate increase approved by the Commission as part of the 2027 Budget allows for a greater share of the voter-approved Infrastructure Sales Tax extension to be allocated to streets, helping address the imbalance between infrastructure needs and available revenues.



THE CITY OF Fargo FAR MORE

Presentation Summary



- What does the Engineering CIP include?
- Network Size
  - Pavement and other assets
- Project Selection Process
- Proposed 2027 – 2030 Projects
- Proposed 2027 CIP Funding Summary
- **Next Steps**

WHAT COMES NEXT?



Approvals Required

- Seek PWPEC approval on **October 19, 2026**
- Seek Commission Approval on **October 26, 2026**
  - 2027 Capital Improvement Plan (CIP)
  - 2028 Core Neighborhood Reconstruction Projects and Federal Aid Projects
    - This allows the Engineering Department to initiate project design and communicate with impacted property owners a year before construction



2027

CAPITAL IMPROVEMENT PLAN (CIP)

Questions and Discussion

THE CITY OF Fargo FAR MORE

29

October 26, 2026

To: **Board of City Commissioners**
Fr: **Michael Redlinger, City Administrator**
Re: **Recommendation for Appointment of the Assistant City Administrator**

The Assistant City Administrator Selection Committee completed the final component of its process for the Assistant City Administrator position on September 2, 2026. The Selection Committee interviewed one finalist candidate following first-round virtual interviews in mid-August.

The September 2-3, 2026 in-person assessment included a presentation by the candidate on her 90-day plan and strategies for success; a formal interview with the Selection Committee; and a Situational Assessment that included a time-sensitive scenario that evaluated the candidate's ability to respond to a complex, dynamic scenario as a senior leader.

Following the September 2-3, 2026 assessment, the Assistant City Administrator Selection Committee discussed its rankings and recommends Erika Anderson, the current Chief of Staff in the Office of the President at Boise (ID) State University, be recommended for appointment as the next Assistant City Administrator for the City of Fargo.

As a Selection Committee member and the Hiring Manager, I concur with the Selection Committee's recommendation and offer my support and endorsement for Ms. Anderson to be appointed to the position.

October 26, 2026 City Commission Meeting

On October 26, 2026, the City Commission will receive a presentation on the selection process with a request to approve the Selection Committee and City Administrator's recommendation to appoint Erika Anderson as Assistant City Administrator. Ms. Anderson's resume is attached for reference.

Assistant City Administrator Selection Committee

Virtual 8/12/2026 - 8/14/2026

Michael Redlinger | City Administrator (Hiring Manger)
Nicole Crutchfield | Director of Planning & Development
Tom Knakmuhs | Director of Engineering
Susan Thompson | Director of Finance
Robert Wilson | Cass County Administrator
Ashley Swanson | Human Resources Generalist
Jasmine Powell-Calhoun | Human Resources Generalist (Facilitator)

In Person 9/2/2026

Michael Redlinger | City Administrator (Hiring Manger)
Nicole Crutchfield | Director of Planning & Development

Nathan Boerboom | Assistant City Engineer
Wyatt Papenfuss | Assistant Finance Director
Ben Dow | Director of Operations - Public Works
Robert Wilson | Cass County Administrator
Jill Minette | Director of Human Resources
Jasmine Powell-Calhoun | Human Resources Generalist (Facilitator)

Thank you for your consideration of this appointment.

Recommended Motion: I move to appoint Erika Anderson to the position of Assistant City Administrator for the City of Fargo.

ERIKA ANDERSON

[redacted]
[redacted]
[redacted]

PROFILE

Senior operations executive and Chief of Staff with a proven track record leading **complex, multi-entity organizations spanning policy, healthcare regulation, and large-scale institutional operations.** Trusted advisor to executive leadership with deep experience integrating **strategy, operations, workforce, and compliance across highly matrixed environments.**

Expert in **enterprise operations, organizational design, financial oversight, and cross-functional leadership,** with experience leading teams of **250+ personnel and managing $1B+ operational portfolios.** Recognized for driving alignment across diverse stakeholders and delivering measurable impact in mission-driven organizations.

EXPERTISE

Enterprise Operations & Administration

Academic & Government Systems Leadership

Strategic Planning & Execution

Financial & Budget Oversight (Federal / Institutional)

Policy & Regulatory Integration

Workforce & Organizational Development

Cross-Organizational Stakeholder Management

Change Management & Continuous Improvement

EDUCATION

JURIS DOCTOR
American University,
Washington, DC

MASTER OF PUBLIC ADMINISTRATION
University of North Texas
Denton, TX

BACHELOR OF SCIENCE (PSYCHOLOGY
University of North Dakota
Grand Forks, ND

CHANGE MANAGEMENT CERTIFICATE
eCornell

WORK EXPERIENCE

Chief of Staff (previously Deputy Chief of Staff May 2022– Present
Boise State University | Boise, ID

- Serve as a **principal advisor to the University President,** leading execution of enterprise-wide strategic priorities across academic and administrative units
- Direct institutional planning processes, establishing **organization-wide goals, performance tracking, and accountability frameworks**
- Lead cross-functional coordination across **education, operations, and administrative services,** ensuring alignment and execution of key initiatives
- Designed executive decision-making processes to improve governance, transparency, and operational efficiency
- Partner with senior leadership, faculty, and external stakeholders to advance institutional priorities and partnerships

Deputy Director, Office of Policy, Legislation, and International Affairs Oct. 2017 – Oct. 2021
US Food and Drug Administration | Silver Spring, MD

- Led operations and policy strategy across a **highly complex, multi-stakeholder environment,** aligning federal regulatory food and public health priorities
- Oversaw teams of **50–250+ personnel** across domestic and international functions, ensuring operational efficiency and mission delivery
- Directed initiatives spanning **regulatory policy, public health programs, and interagency collaboration,** including work with HHS, OMB, and the White House
- Provided executive leadership in navigating **matrixed governance structures with multiple oversight bodies and regulatory frameworks**

Key Achievements:

- Delivered a **record volume of legislative and policy initiatives,** improving national response to drug shortages, medical product access, and regulatory oversight
- Led advancement of complex, cross-agency initiatives requiring alignment across federal and healthcare stakeholders
- Strengthened communication and stakeholder engagement strategies to support Congressional and public-facing initiatives

Acting Executive Roles:

- Acting Deputy Commissioner for Policy, Legislation, and International Affairs (Feb. 2020 – May 2020 and Jan 2021 – Mar. 2021)
    - Led **250+ staff** through COVID-19 response and Presidential transition in a high-pressure environment
    - Directed international public health coordination efforts across federal agencies and global partners
- **US Health and Human Services, staff to** Chief Scientific and Medical Officer (June – Sept. 2022)
    - Coordinated international engagements and agreements related to global public health emergency working with the Department of State and the White House
    - Coordinated across HHS offices to implement key legislative and funding provisions

Senior Advisor, Office of Regulatory Affairs Mar. 2014 – Oct. 2017

US Food and Drug Administration | Silver Spring, MD

- Served as a Chief of Staff to executive
- Spearheaded ORA Senior Leadership and Management Teams (25 and 225+ combined executive and senior managers) engagements, facilitated effectively and efficiently to translate strategies into actional items and accountability for delivery and goal achievement, and ensured key priorities were executed to achieve mission goals.
- Advised executive leadership on **organizational strategy, operational effectiveness, and transformation initiatives**
- Led enterprise-wide efforts in **strategic planning, workforce development, and organizational redesign**
- Developed executive communications, briefing materials, and decision frameworks

Key Achievements:

- Directed strategic planning for a **5,000-person organization**, aligning priorities and execution frameworks
- Led organizational restructuring to improve performance and operational alignment
- Facilitated executive-level meetings to drive **decision-making, accountability, and execution tracking**

Acting Role: Office of Resource Management Director

- Oversaw **$1B budget and 250-person organization**, including HR, finance, and operations
- Led regulatory operations teams focused on quality, compliance, and performance improvement

Supervisory Management and Operations Specialist, Office of Regulatory Affairs, Southwest Region Mar. 2012 – Mar. 2014

US Food and Drug Administration | Dallas, TX

- Managed regional operations, staff performance, and program execution, supporting over 700 employees in 40 locations
- Improved workflows and coordination across teams to enhance operational efficiency
- Management regional budget

Regulatory Counsel/Special Assistant/Program Analyst, Office of Regulatory Affairs Mar. 2012 – Mar. 2014

US Food and Drug Administration | Rockville, MD

- Multiple years of operational experience in performance management, strategic planning and resource management
- Provided legal, policy, and program analysis supporting executive decision-making
- Supported cross-agency initiatives and strategic projects

