

FARGO CITY COMMISSION AGENDA
Monday, March 17, 2025 - 5:00 p.m.

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

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, March 3, 2025).

CONSENT AGENDA – APPROVE THE FOLLOWING:

- 1. Receive and file an Ordinance Enacting Section 10-0327 of Article 10-03 of Chapter 10 of the Fargo Municipal Code Relating to Public Safety, Morals and Welfare and an Ordinance Amending Sections 25-1518(A) and (B) of Article 25-15 of Chapter 25 of the Fargo Municipal Code Relating to Restrictions on Sale, Serve or Dispensing of Alcoholic Beverages and Section 1-0305 of Chapter 1-03 Relating to Ordinance Violations.
- 2. Gaming Site Authorizations:
 - a. Friends of the Children Fargo-Moorhead at Southtown Pourhouse.
 - b. North Dakota Horse Park Foundation at Boss' Pizza and Chicken.
- 3. Applications for Games of Chance:
 - a. bisonCatholic for a raffle on 3/29/25.
 - b. Fargo Air Museum for bingo on 3/27/25.
 - c. FM Walleyes Unlimited, Inc. for a raffle on 4/3/25.
 - d. FMWF Chamber of Commerce for a raffle on 7/16/25.
 - e. Jeremiah Program F-M for a raffle on 5/2/25.
 - f. Pray for Gray for a raffle on 5/9/25.
 - g. Professional Insurance Agents of North Dakota for a raffle on 5/5/25.
 - h. Red River Range for a raffle on 5/2/25.
 - i. She Overcomes Foundation for a raffle on 3/27/25.
 - j. St. Mary's Cathedral for raffles on 5/3/25 and 5/4/25.
 - k. Veterans Honor Flight of ND/MN for a raffle on 4/12/25.
- 4. Change Order No. 3 for a 30-day time extension to the metal fencing installation date from 3/13/25 to 4/13/25 for Project No. NR-24-B2.
- 5. Engineering Services Contract with Houston Engineering, Inc. in the amount of \$1,499,824.10 for Project No. QR-25-B0.
- 6. Cost Participation, Construction and Maintenance Agreement with NDDOT for the Red River North Shared Use Path (Project No. SN-25-B1).
- 7. Bid award to Roadway Services, Inc. in the amount of \$112,800.00 for Project No. PR-25-B1.

8. Bid award to Border States Paving, Inc. in the amount of \$844,197.90 for Project No. SR-25-A1.
9. Bid advertisement for Project No. SN-25-B.
10. Bid advertisement for Project No. SR-25-B.
11. Contract and bond for Project No. SN-25-A1.
12. Contract and bond for Improvement District No. BR-25-E1.
13. Engineering Services Agreement Amendment No. 3 with Apex Engineering Group in the amount of \$56,681.00 for Improvement District No. BR-23-G0.
14. Documented CATEX and selection of Alternative B for Improvement District No. BR-26-G1.
15. Rejection of bids for Improvement District No. BR-25-B2.
16. Bid award to Asphalt Preservation Company, Inc. in the amount of \$1,751,602.84 and Resolution Determining Insufficiency of Protests for Improvement District No. PR-25-C1.
17. Create Improvement District No. PR-25-H and adopt Resolution of Necessity (Asphalt Mill and Overlay).
18. Items from the FAHR Meeting:
 - a. Receive and file General Fund - Budget to Actual through 1/31/25.
 - b. Bid award to FM360, LLC in the amount of \$152,870.00 for a Computer Maintenance Management System (CMMS) and related budget adjustment (RFP25068).
 - c. Solid Waste budget adjustment for 2025 equipment purchases as presented.
 - d. Reallocation of Solid Waste funds to allow for the development of an RFP for the purchase of 335 front-load collection containers (RFP25105).
19. Agreement with FM360, LLC for a Computer Maintenance Management System (CMMS) (RFP25068).
20. Change Order No. 2 in the amount of \$16,370.56 for Fire Station No. 5 Renovation Project (general construction contract).
21. Piggyback purchase through ND State Contract No. 378 with North Central Intl. LLC in the amount of \$120,317.39 for one 2026 HV607 International Chassis (PBC25034).
22. Amendment No. 2 to Task Order No. WA04 with Apex Engineering Group in the amount of \$85,800.00 for Project No. WA1910.
23. Bills.

REGULAR AGENDA:

24. Set 7:30 a.m., Tuesday, April 8, 2025, as the date for the Board of Equalization to meet.

PUBLIC HEARINGS - 5:15 pm:

25. **PUBLIC HEARING** – WITHDRAWN – Brekke’s 64th Avenue Addition (1606 and 1648 64th Avenue South):
 - a. Zoning Change from SR-2, Single-Dwelling Residential to SR-4, Single-Dwelling Residential.

- b. 1st reading of rezoning Ordinance.
 - c. Plat of Brekke's 64th Avenue Addition.
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- 26. **PUBLIC HEARING** – Vacation Plat of portions of 22nd Street North, the remainder of 8th Avenue North lying West of 21st Street North and the Block 34 East-West alley, all originally dedicated with Beardsley's Addition, lying between 7th and 8th Avenues North (2105 and 2115 7th Avenue North; 706, 716, 718, 724 and 738 21st Street North; 705 22nd Street North); approval recommended by the Planning Commission on 6/4/24; continued from the 3/3/25 Regular Meeting.
 - 27. **PUBLIC HEARING** – Appeal of a Planning Commission decision on 2/4/25 to deny a Conditional Use Permit to allow group living in the SR-2, Single Dwelling Residential zoning district on Lot 11, Block 9, Edgewood Second Addition (213 Forest Avenue North).
 - 28. **PUBLIC HEARING** – Renaissance Zone Rehabilitation Project for DH Ventures, LLC (369-F) for the rehabilitation of a commercial property at 508, 510 and 512 Broadway North.
 - 29. **PUBLIC HEARING** – Renaissance Zone Rehabilitation Project and New Construction Project for Cass Clay Community Land Trust (370-F) for a commercial property at 717 3rd Avenue North.
 - 30. **PUBLIC HEARING** – Renaissance Zone New Construction Project for Lennon Lofts, LLC for the construction of a multi-dwelling residential project at 220 6th Avenue North.
 - 31. **PUBLIC HEARING** – Hearing to consider a Renewal Plan and Developer Agreement with Lennon Lofts, LLC for Tax Increment Financing District No. 2025-01 (220 6th Avenue North).
 - 32. **PUBLIC HEARING** – CONTINUED to 3/31/25 - Hearing to consider a Renewal Plan and Developer Agreement with Skyline, LLC/Roers for Tax Increment Financing District No. 2018-03 (1100 block of 18th Street North).
 - 33. Recommendation from Commissioner Strand to direct the City Administrator, City Attorney and Human Resources Department to research a full-time Mayor effective July 1, 2026.
 - 34. Presentation on Employee Overtime Policies, Procedures and Budget.
 - 35. Commissioner Piepkorn would like to discuss employee overtime; delayed from the 3/3/25 Regular Meeting.
 - 36. Liaison Commissioner Assignment Updates.
 - 37. **RESIDENT COMMENTS** (Fargo residents will be offered 2.5 minutes for comment with a maximum of 30 minutes total for all resident comments. Residents who would like to address the Commission, whether virtually or in person, must sign-up at [FargoND.gov/VirtualCommission](https://www.fargond.gov/VirtualCommission)).

People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 701.241.1310 at least 48 hours before the meeting to give our staff adequate time to make arrangements. Minutes are available on the City of Fargo website at [www.FargoND.gov/CityCommission](https://www.fargond.gov/CityCommission).

26

City of Fargo Staff Report			
Title:	Beardsley's Addition	Date:	5/29/2024 2/27/2025 3/13/2025
Location:	2105 and 2115 7th Avenue North; 706, 716, 718, 724, and 738 21st Street North; 705 22nd Street North	Staff Contact:	Donald Kress, current planning coordinator
Legal Description	Portions of 22nd Street North, the remainder of 8th Avenue North lying west of 21st Street North, and the Block 34 East-West alley, all originally dedicated with Beardsley's Addition , lying between 7th and 8th Avenues North as currently located, City of Fargo, Cass County, North Dakota.		
Owner(s)/Applicant:	Northern States Power Company; R&R Investments; Jeremy Disrud; Accel Holdings; Craig Runck ; City of Fargo/ Tim Vanderzanden—John T. Jones Construction	Engineer:	Neset Land Surveying
Reason for Request:	Right of Way Vacation (a vacation plat portions of 22nd Street North, the remainder of 8th Avenue North lying west of 21st Street North, and the Block 34 East-West alley, all originally dedicated with Beardsley's Addition , lying between 7th and 8th Avenues North as currently located, City of Fargo, Cass County, North Dakota.)		
Status:	City Commission Public Hearing: March 17 th , 2025		
Proposal:			
<i>PROJECT HISTORY NOTE: This project was originally scheduled for the March 3rd, 2025 City Commission. It was continued to the March 17th, 2025 City Commission agenda at the request of staff.</i> The applicant is seeking approval of a vacation plat of portions of 22nd Street North, the remainder of 8th Avenue North lying west of 21st Street North, and the Block 34 East-West alley, all originally dedicated with Beardsley's Addition, lying between 7th and 8th Avenues North as currently located, City of Fargo, Cass County, North Dakota. This portion of 22nd Street North and 8th Avenue North are not used as public streets. It is staff's understanding that the property owners adjacent to the alley to be vacated will have a private easement agreement for access. The City is not part of this agreement. The proposed street vacation encompasses approximately 1.17 acres of public right of way. Upon vacation, the vacated area will become part of the adjacent lots in Block 34 and a portion Block 27 of Beardsley's Addition. These lots are owned by several different owners as listed above. HISTORY OF RIGHT OF WAY DEDICATIONS AND PREVIOUS VACATIONS All of the right of way being vacated by the plat was dedicated on the plat of Beardsley's Addition in 1882. Most of 8th Avenue North between Blocks 27 and 34 was vacated in 1953. 8th Avenue was relocated to its current location at that time. A short piece of this avenue remaining will be vacated by this plat. The originally platted north-south alley in Block 34 and a portion of Block 27 was vacated in 1962.			

A vacation of a 23.5 foot wide portion of the west side of 22nd Street was before the Planning Commission at the April 2nd, 2024 public hearing. That portion of 22nd Street was dedicated separately in 1951, so staff determined that portion of the street should be vacated separately. That vacation was approved by the City Commission and has been recorded.

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

Notices of the proposed vacation have been sent out to property owners within 300 feet of the subject property. To date, staff has received one phone call about the application.

Surrounding Land Uses and Zoning Districts:

- North: LI, Limited Industrial: industrial uses; abandoned railroad spur
- East: LI: industrial uses
- South: LI, across 7th Avenue North: City-owned lift station; auto sales
- West: LI: industrial uses—construction company

Area Plans

The area of the vacation is included in the Madison/Unicorn Park Neighborhood, and is designated as "industrial" on the Core Neighborhoods Plan, as shown in the graphic below. This plan does not specifically address vacations of public right of way.



FUTURE LAND USE MAP

- | | |
|-------------------------------------|-----------------------------------|
| Single-Family Residential | Industrial/Warehousing |
| Multi-Family Residential | Park, Open Space and Trails |
| Institutional | Commercial |
| Schools with recreational amenities | Mixed Use Neighborhood Commercial |

Context:

Schools: The subject property is located within the Fargo School District including Madison Elementary, Ben Franklin Middle and North High School.

Neighborhood: The subject property is included in the Madison/Unicorn Park Neighborhood.

Parks: Johnson Park is located approximately 0.60 miles northeast of the subject property, but would require a trip of approximately 0.90 miles to reach due to the railroad tracks. Madison Park and Bicycle Playground is approximately 0.60 miles northwest of the subject property, and includes amenities of splash pad, baseball/softball fields, basketball court, outdoor skating and hockey rink, grill and picnic tables, playground, shelter, soccer field, small beginner skate park and a warming house, and the Madison Bicycle Playground.

Recreation Trails: There are no recreational trails adjacent to the area.

Transit: MATBUS Route 17 runs along 7th Avenue North and has a stop across 7th Avenue North, on the corner of 7th Avenue and 23rd Street.

Staff Analysis:

ROW Vacation Approval Criteria: The City of Fargo does not currently have any adopted regulation dealing with the vacation of rights-of-way. However, city policy requires that any applicant wishing to vacate right-of-way must submit a Vacate Application—a one-page form wherein the petitioner provides: a description of the area to be vacated and signatures of all property owners adjoining the area to be vacated. In addition, the applicant must submit a vacation plat (a major subdivision). Notwithstanding the Land Development Code's (LDC) silence on the matter, the North Dakota Century Code (N.D.C.C) does address the opening and vacating of roadways in Chapter 40-39 (inside municipal limits). To that end, the balance of this report will focus on the specific approval criteria outlined within Chapter 40-39 of the N.D.C.C.

N.D.C.C. 40-39-04. Vacation of streets and alleys where sewers, water mains, pipes, and lines located – Conditions. No public grounds, streets, alleys, or parts thereof over, under, or through which have been constructed, lengthwise, any sewers, water mains, gas, or other pipes or telephone, electric, or cable television lines, of the municipality or the municipality's grantees of the right of way thereof, may be vacated unless the sewers, mains, pipes, or lines have been abandoned and are not in use, or unless the grantee consents, thereto, or unless perpetual easements for the maintenance of sewers, water mains, gas, or other pipes, or telephone, electric facilities, whether underground or aboveground, is subject to the continued right of location of such electric facilities in the vacated streets.

The plat depicts an easement for the existing utilities over the area to be vacated. (Criteria Satisfied)

N.D.C.C. 40-39-05. Petition for vacation of streets, alleys, or public grounds – Contents – Verification. No public grounds, streets, alleys, or parts thereof within a municipality shall be vacated or discontinued by the governing body except on a petition signed by all of the owners of the property adjoining the plat to be vacated. Such petition shall set forth the facts and reasons for such vacation, shall be accompanied by a plat of such public grounds, streets, or alleys proposed to be vacated, and shall be verified by the oath of at least one petitioner.

In accordance with the requirement of this section, a petition signed by the adjacent owners has been submitted for review and consideration, along with a plat of such public street. (Criteria Satisfied) <i>N.D.C.C 40-39-06. Petition filed with city auditor – Notice published – Contents of notice. If the governing body finds that the petition for vacation is in proper form and contains the requisite signatures, and if it deems it expedient to consider such petition, it shall order the petition to be filed with the city auditor who shall give notice by publication in the official newspaper of the municipality at least once each week for four weeks. The notice shall state that a petition has been filed and the object thereof, and that it will be heard and considered by the governing body or a committee thereof on a certain specified day which shall not be less than thirty days after the first publication of the notice.</i> The vacation plat has been advertised as required by this section prior to the March 3rd, 2025 City Commission hearing. The hearing was continued on the March 3rd, 2025 City Commission agenda to the March 17th, 2025 City Commission agenda. (Criteria Satisfied) <i>N.D.C.C. 40-39-07. Hearing on petition – Passage of resolution declaring vacation by governing body. The governing body, or such committee as may be appointed by it, shall investigate and consider the matter set forth in the petition specified in section 40-39-05 and, at the time and place specified in the notice, shall hear the testimony and evidence of persons interested. After hearing the testimony and evidence or upon the report of the committee favoring the granting of the petition, the governing body, by a resolution passed by a two-thirds vote of all its members, may declare the public grounds, streets, alleys, or highway described in the petition vacated upon such terms and conditions as it shall deem just and reasonable.</i> This action will be taken by the City Commission at their March 17th, 2025 hearing. (Criteria Satisfied)
Staff Recommendation:
Suggested Motion: "To accept the findings and recommendations of the Planning Commission and staff and move to approve the Beardsley's Addition right-of-way vacation plat as presented; as the proposal complies with the North Dakota Century Code Section 40-39: Opening and Vacating Streets, Alleys, and Public Places."
Planning Commission Recommendation: June 4th 2024
At the June 4th, 2024 Planning Commission hearing, that Commission, by a vote of 10-0 with one Commission seat vacant, moved to accept the findings and recommendations of staff and recommended approval to the City Commission of the Beardsley's Addition right-of-way vacation plat as presented; as the proposal complies with the North Dakota Century Code Section 40-39: Opening and Vacating Streets, Alleys, and Public Places.
Attachments:
1. Zoning Map 2. Location Map 3. Vacation Plat

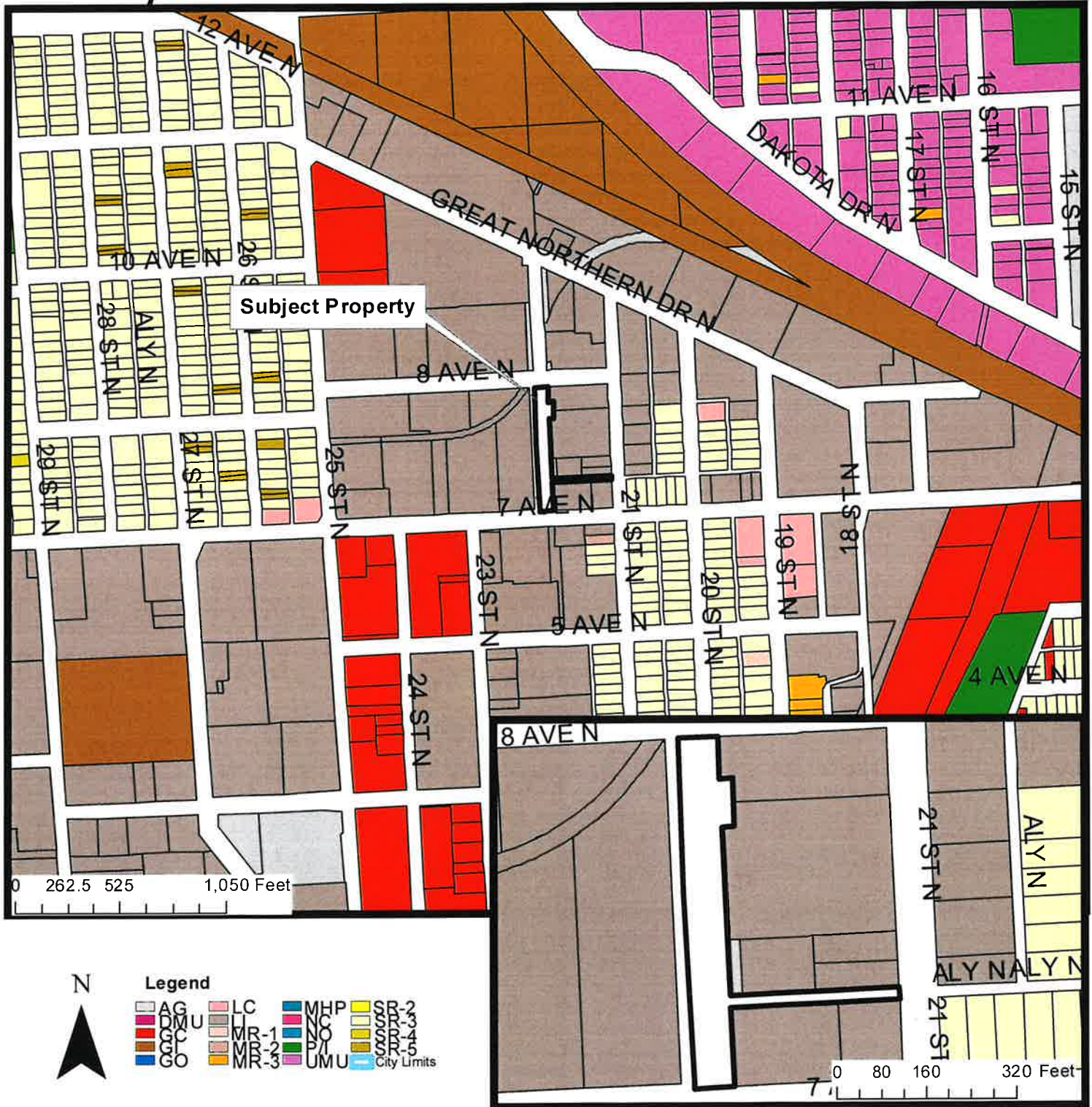
Vacation Plat

2105 & 2115 7th Avenue North;

705 22nd Street North;

706, 716, 718, 724 & 737 21st Street North

Beardsley's Addition



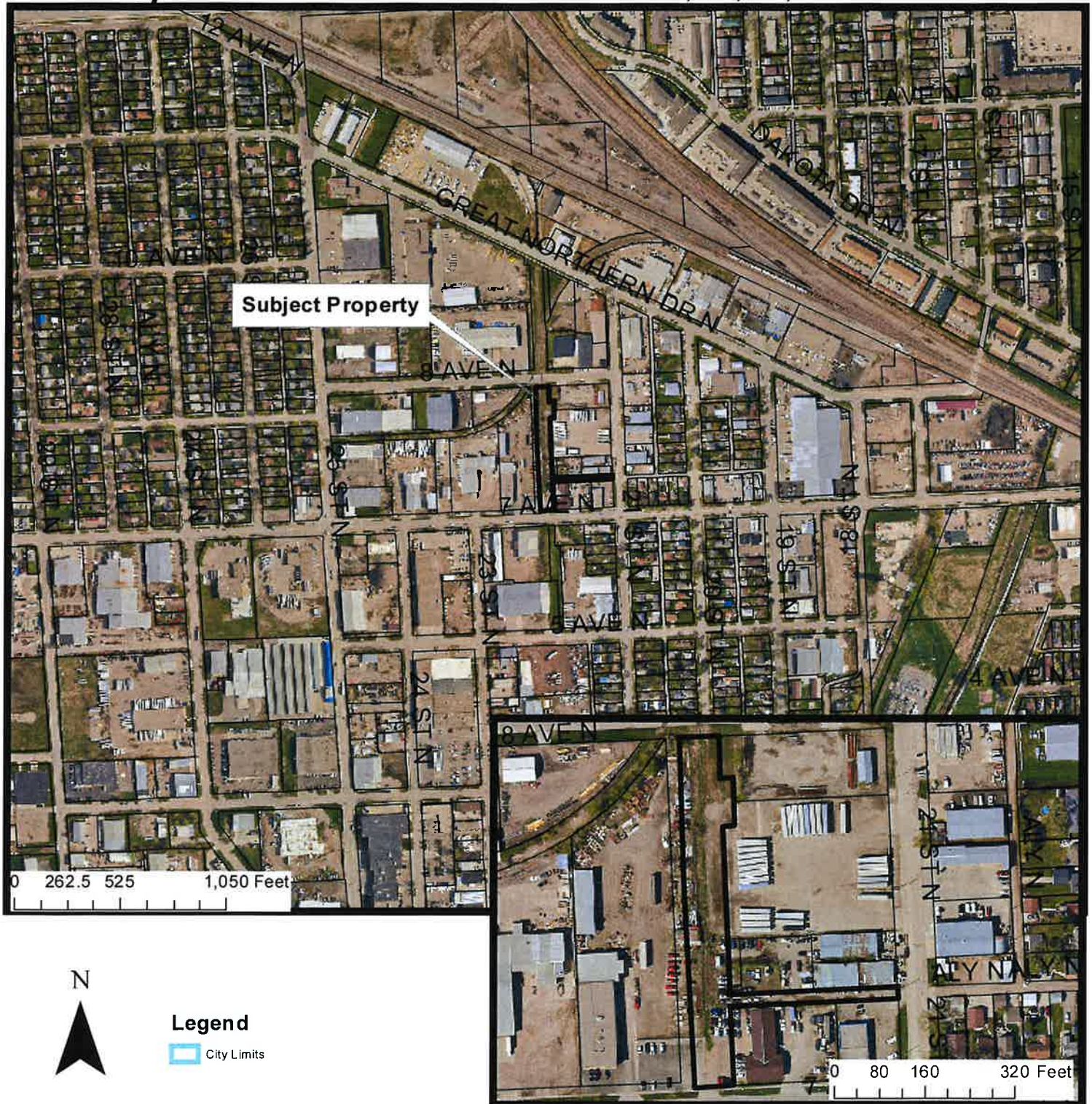
Vacation Plat

2105 & 2115 7th Avenue North;

705 22nd Street North;

706, 716, 718, 724 & 737 21st Street North

Beardsley's Addition



VACATION PLAT

THE EAST 70.00 FEET OF 22ND STREET NORTH ADJOINING LOTS 1 AND 21 OF FIRST INDUSTRIAL SUBDIVISION OF BEARDSLEY'S ADDITION, THAT PART OF 22ND STREET NORTH ADJOINING PART OF BLOCK 37, ALL OF BLOCK 34, AND THAT PART OF AN AVENUE AS PLATTED ON BEARDSLEY'S ADDITION, ADJOINING LOTS 6 THROUGH 13, BLOCK 34 OF SAID BEARDSLEY'S ADDITION, AND ALL OF THE EAST-WEST ALLEY AS PLATTED ON BEARDSLEY'S ADDITION, ADJOINING LOTS 6 THROUGH 13, BLOCK 34 OF SAID BEARDSLEY'S ADDITION, ALL TO THE CITY OF FARGO, COUNTY OF CASS, STATE OF NORTH DAKOTA

OWNERS: CHERIE KALL
ON THIS 5th DAY OF September, 2023, BEFORE ME, A NOTARY PUBLIC WITHIN AND FOR SAID COUNTY AND STATE, PERSONALLY APPEARED TO ME, THE CITY OF FARGO, FARMER, "FARMER", AND ALL OF THE OWNERS OF THE PROPERTY ADJOINING THE ALLEY TO BE VACATED AND THAT THE PLAT AND DESCRIPTION ARE CORRECT.

OWNERS: JAMES CONSTRUCTION COMPANY
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27

City of Fargo Staff Report			
Title:	Edgewood Second Addition	Date:	1/02/2025
		Update:	1/30/2025 3/13/2025
Location:	213 Forest Avenue North	Staff Contact:	Donald Kress, planning coordinator
Legal Description:	Lot 11, Block 9, Edgewood 2 nd Addition		
Owner(s)/Applicant:	Connecting Point, LLC / Brad McCaslin	Engineer:	None
Entitlements Requested:	Appeal of a Planning Commission Decision		
Status:	City Commission Public Hearing: March 17 th , 2025		
Existing		Proposed	
Land Use: Single Dwelling Residential		Land Use: Single Dwelling Residential	
Zoning: SR-2, Single-Dwelling Residential		Zoning: SR-2, Single-Dwelling Residential	
Uses Allowed: SR-2 Allows detached houses, daycare centers up to 12 children, parks and open space, religious institutions, safety services, schools, certain telecommunications facilities, and basic utilities.		Uses Allowed: In addition to the uses allowed by right in the SR-2 zone, the CUP would allow group living in the SR-2 zone for the subject property only.	
Maximum Density Allowed: SR-2 allows a maximum 5.4 dwelling units per acre		Maximum Density Allowed: No change proposed	
Proposal:			
The applicant requests one entitlement:			
1. Appeal of a Planning Commission Decision Denying a Conditional Use Permit (CUP) (to allow Group Living in the SR-2, Single Dwelling Residential zoning district)			
APPEAL PROCESS The applicant applied for a conditional use permit (CUP) to allow group living in the SR-2 zone for the property at 213 Forest Avenue North (Lot 11, Block 9, Edgewood Second Addition). Specifically, the CUP was to allow five residents in a single dwelling unit, rather than the maximum of three residents allowed by right under the Land Development Code (LDC). The application for the CUP was denied by the Planning Commission at their February 4th, 2025 meeting. The Planning Commission is the final decision maker for CUP's. An appeal of the Planning Commission's decision goes to the City Commission. Pursuant of LDC Section 20-0903.B, "Appeals of final decisions made pursuant to the procedures of this article must be filed within 10 days of the date of the decision." The applicant appealed this decision within the required time frame. Planning staff scheduled the appeal at the soonest City Commission agenda that would meet the required advertising timeline, March 17th, 2025. Land Development Code Section 20-0909.F.3, Action on Appeal, states: "The Board of City Commissioners shall consider the appealed Conditional Use decision as a new matter in a public hearing and, at the close of the public hearing, act to approve or deny the original application for Conditional Use Permit approval. The procedure and required notice shall be the same as required of the original action before the Planning Commission." APPLICANT'S REASONS FOR APPEAL In his application for the appeal, the applicant states he believes the Planning Commission's denial of the CUP should be reconsidered due to the support from neighbors and community leaders for the CUP, and the comments made by Planning Commissioners "acknowledge that the existing city code may no longer reflect the evolving need of Fargo's residents." A copy of the applicant's appeal letter is attached.			
(continued on next page)			

Context: Surrounding Land Uses and Zoning Districts: • North: SR-2; single-dwelling residences • East: SR-2; single-dwelling residences • South: SR-2; single-dwelling residences • West: SR-2; single-dwelling residences Schools: The subject property is located within the Fargo School District, specifically within the Longfellow Elementary, Ben Franklin Middle, and North High schools. Neighborhood: The subject property is located within the Northport neighborhood. Parks: Longfellow Park, 20 29th Avenue NE, is approximately 0.20 mile east of the subject property and, provides amenities of baseball/softball fields; basketball court; multi-purpose field; outdoor skating rinks; pickleball court; playground, ages 5-12; warming houses. Pedestrian / Bicycle: There are no multi-use paths or on-road bike lanes adjacent to the subject property. MATBUS Route: The subject property is not located along a MATBUS route.
Area Plans The subject property is not included in a neighborhood plan. The Fargo Growth Plan 2024 designates the area of the subject property as "Urban Neighborhood." The current SR-2 zoning is consistent with this place type designation.
Staff Analysis: <u>PROJECT HISTORY</u> The property owner bought the house at 213 Forest Avenue North in the summer of 2024 for his son and four of his son's friends to live in. This application for a CUP for group living in the SR-single dwelling zone results from a zoning violation brought to the attention of the City's Inspections Department in July, 2024. The violation was that five unrelated persons are living in a single residential unit (the residence at 213 Forest Avenue). The Land Development Code prohibits more than three unrelated people living in a single dwelling unit. The Inspections Department advised the applicant that the property would have to come into compliance with the LDC prior to applying for any entitlements, such as this CUP. The City's first inspection at the property was on July 9th, 2024. During that inspection, the inspector noted a building code violation relating to the stairway headroom, which related to whether the rooms in the basement could be used as legal bedrooms. Between July 9th and September 13th, the applicant hired a contractor to repair the stairway headroom. On September 13th, there was a final inspection on the remodel permit. On that date there were only three occupied bedrooms and the final building inspection passed. On October 31st, 2024, the rental inspector went to the subject property for an unscheduled inspection due to the neighbors saying there were more than three tenants living in the house. The inspector asked if she could enter and count beds. She was denied access to the interior at that time. There have been no further inspections. The applicant applied for CUP to allow group living in November, 2024. A copy of the applicant's documentation supporting his application for the CUP is attached. The Planning Commission hearing on this CUP was originally scheduled for the January 7th, 2025 Planning Commission agenda, but the applicant, who lives in Illinois, was not able to make it to that hearing and requested a continuance until the February 4th, 2025 Planning Commission agenda.

SUMMARY OF ACTION AT THE FEBRUARY 4th, 2025 PLANNING COMMISSION

At the February 4th, 2025 Planning Commission hearing, that Commission heard a presentation from staff that summarized the project. Staff made the points that the parking requirement for group living apparently cannot be satisfied on the subject property; the proposed use is out of character with the neighborhood; and that staff's recommendation is for denial.

COMMISSIONER QUESTIONS TO STAFF

In response to Commissioner questions, staff clarified that:

- The Planning Commission heard a similar case—a CUP for group living in the SR-2 zone—in January, 2024. The Commission denied that CUP application by a vote of 8-0 with one Commissioner absent and two Commission seats vacant.

APPLICANT'S TESTIMONY

Applicant Brad McCaslin made the following points to the Commission:

- A majority of neighbors support the current situation of the five residents in one dwelling unit, despite some concerns from a few neighbors.
- The five residents have earned the trust and respect of those living around them.
- Two neighbors have offered space on their own lots to address the parking concerns, which shows that the neighbors "are actively invested in making this arrangement work."
- The five residents have put in over 100 hours of service to the Fargo community.

COMMISSIONER QUESTIONS TO THE APPLICANT

In response to Commissioner questions about what would compel the Commission to not follow the precedent of previous similar cases, the applicant stated that

- Neighbors have benefitted from these five residents living there and many neighbors have a friendly relationship with the residents.
- The City's website shows that this neighborhood [Northport] is 53 percent renter-occupied, and is close to NDSU campus, which is why the applicant sought to locate here.

NEIGHBORS' TESTIMONY

Three people testified in support of the approving the CUP. They made the following points:

- The five residents who live in the house
 - Are student athletes of high character.
 - Own their own businesses.
 - Do not have the luxury of living with family while in school.
 - Maintain their property, keep the noise levels down, and contribute positively to the neighborhood.
 - Are not reckless or destructive or intending to cause problems.
 - Did the work required to correct a building code violation that came with the house.
- Complaints about five people living in this house started before the residents even moved in.
- Fairness should be rooted in facts.
- The next door neighbor has space available on her lot for parking.
- Parking is allowed on both sides of the street.
- The number of unrelated people should not play into what the household is like.
- There have been no loud parties or loud noises.

One neighbor testified in opposition to approving the CUP, making the following points:

- Speaking on behalf of the four neighbors who sent e-mails or letters of opposition.
- Neighborhood has been single-family homes for 25 years.
- There are City codes and recommendations that need to be followed. Three unrelated people can be allowed, but not five.

COMMISSION DISCUSSION FOLLOWING PUBLIC HEARING

After the Commission chair closed the public hearing, the Commission had further questions for staff:

- In response to the Commission question as to the specific history behind why the number of residents for group living was fixed at three by the Land Development Code, staff replied that they

did not have that specific history. Staff stated most jurisdictions in the state have some limit on the number of unrelated people living in a single residential unit but there is no statewide regulation.

- In response to the Commission question about whether the CUP would have an expiration date if it were approved, staff stated that the Commission could add a condition to state an expiration date. The assistant city attorney agreed and added that change of ownership would extinguish the CUP.

The Commission commented that:

- The number of unrelated people that should be allowed to reside in a single dwelling unit is a continuing conversation that should be evaluated at part of the revision of the Land Development Code, which is currently in process. This number relates to the topics of residential density and student housing as supporting infrastructure for the local universities.
- The reason for having a limit on the number of unrelated people allowed to reside in a single dwelling unit is intensity of use. Five individuals living in a single dwelling unit creates a greater intensity of use than a five-person family. Five individuals can act like five one-person families, each with their own schedule, their own car, and their own circle of friends.
- To relax the regulation for one group of people would be setting a precedent.

PUBLIC COMMENTS

Copies of comment letters and e-mails are attached.

COMMENTS RECEIVED ON OR PRIOR TO FEBRUARY 4th, 2025

Prior to the scheduled February 4th, 2025 hearing, Planning staff has received three e-mails, one letter, and two phone calls in opposition to this CUP. Concerns expressed in these comments include:

- Group living is not consistent with how this neighborhood has developed.
- There is insufficient parking on the subject property to accommodate all the residents and their guests.
- Parking by the residents obstructs garbage pick-up by City trucks.
- City inspectors have not been able to accurately count beds in the residence.
- Property maintenance is not consistent.
- Residents park vehicles across the sidewalk
- Group living creates too much traffic, which limits bikes and pedestrians.

One neighbor commented that neighborhood issues can often be resolved by communication between neighbors.

Planning staff also received a couple of phone inquiries about the project in which the callers did not express a particular opinion about the project.

COMMENTS RECEIVED SINCE FEBRUARY 4th, 2025

Two comment letters have been received since the February 4th, 2025 Planning Commission hearing. Concerns expressed in those letters include:

- Denial of the appeal would cause the neighborhood to continue to be divided, which is not good for anybody.
- Covenants in this subdivision restrict uses to single-family only. (*Note: The City does not enforce private covenants, which the neighbor recognizes*).
- If the CUP gets approved, it should be time-limited to five years.
- A "YIELD" sign should be installed at the intersection of Edgewood Drive and Forest Avenue North to manage the danger of low-visibility at this intersection.

Also, a petition signed by seven neighbors was received. These neighbors oppose the conditional use permit.

FINDINGS FOR DENIAL

The findings to support the denial of the CUP, as stated by staff and accepted by the Planning Commission, are stated below. As the recommendation is for the denial of the CUP, no conditions for the CUP are proposed.

NOTE: In the findings below, reference to the “neighborhood” of the subject property generally refers to the area within a 300 foot radius of the subject property, which is the area in which property owners receive a letter notifying them of the application and the hearing date. This area is shown below for reference.



Conditional Use Permit Approval Criteria (Section 20-0909.D)

The following is a list of criteria that must be determined satisfied in order for a Conditional Use Permit to be approved:

1. **Does the proposed conditional use comply with all applicable provisions of the LDC and will it conform to the general intent and purpose of this LDC?**
 The purpose of the LDC is to implement Fargo's Comprehensive Plan in a way that will protect the general health, safety, and welfare of the citizens. Staff finds that, though group living can be permitted by CUP in the SR-2 zone, it is not the intent and purpose of the LDC to create individual properties permitted for group living in neighborhoods that are otherwise consistently single-family neighborhoods when the request for group living is only for the benefit of the property owner or residents. **(Criteria Not Satisfied)**
2. **Will the proposed conditional use at the specified location contribute to and promote the welfare or convenience of the public?**
 It is staff's understanding that this is not a general rental property, but was procured by the property owner specifically for their son and four of his friends, who are all college students. The proposed conditional use at the specified location seems to be largely for the benefit of the property owner and the student residents.

Note that the group living use proposed here is not any kind of care facility or what is commonly called a "group home," as has been the case with some CUP's for group living in SR-zoned areas that the Planning Commission has recently reviewed. Such facilities are backed by state regulations specific to those uses, which include requirements that such uses be allowed in

residential zones. **(Criteria Not Satisfied)**

3. Will the proposed conditional use cause substantial injury to the value of other property in the neighborhood in which it is to be located?

Staff has no data to suggest the proposed use would cause substantial injury to the value of other property in the neighborhood. However, it is the understanding that more than three tenants would create nuisances that could impact the residential neighborhood, such as noise and excess number of cars. In accordance with Section 20-0901.F of the LDC, notices of the proposed CUP have been sent out to property owners within 300 feet of the subject property. To date, Planning staff has received the comments noted above in the "Public Comment" section. **(Criteria Not Satisfied)**

4. Is the location and size of the conditional use, the nature and intensity of the operation conducted in connection with it, and the location of the site with respect to streets giving access to it such that the conditional use will not dominate the immediate neighborhood so as to prevent the development and use of the neighboring property in accordance with the applicable zoning district regulations? In considering this criteria, location, nature, and height of buildings, structures, walls, and fences on the site are to be considered, as well as the nature and extent of proposed landscaping and buffering on the site.

The subject property is a detached residence, as are the adjacent properties on all sides and across the street. All properties but one within 300 feet of the subject property are owner-occupied. This is a mature neighborhood; there are no undeveloped lots. None of the other detached residences in this neighborhood, including the one that is not owner-occupied, has CUP's for group living.

The neighborhood is part of the larger Northport neighborhood, which is bounded by Elm Street (east), University Drive (west), 32nd Avenue North (north), and 19th Avenue North (south). Almost the entire area of this neighborhood between Elm Street and 3rd Street North is zoned SR-2 and developed with owner-occupied, detached single-dwelling residences. None of these properties has a CUP for group living. The intensity of the proposed group living use here would be greater than a single-family use, and thus out of character with the otherwise single-family neighborhood. The parking situation will be addressed in detail in a parking-specific finding below (20-0402.E.1.b). **(Criteria Not Satisfied)**

5. Are adequate utility, drainage, and other such necessary facilities and services provided or will they be at the time of development?

The property has access to all necessary utilities and services. Staff is not aware of any deficiencies regarding drainage or utilities that would limit the ability of the applicant to utilize the property for a single-dwelling residence, for which staff finds that the adequate utility, drainage, and other such necessary facilities and services are in place. However, if the CUP is approved, parking issues and additional paving could result, which is not conducive to the appeal of a single family residence and could adversely impact drainage. **(Criteria Not Satisfied)**

NOTE: Finding No. 6, "Have adequate access roads or entrances and exit drives been provided and are they designed to prevent traffic hazards and to minimize traffic congestion in public streets?" has been omitted here as it relates more to conditional uses for large multi-dwelling and commercial projects rather than conditional uses proposed on single-dwelling lots.

Approval Criteria Specific to CUP's for Group Living in SR-Zoned Property (Section 20-0402.E)

The following is a list of criteria that must be determined satisfied in order for a Conditional Use Permit to allow group living in a Single-Dwelling Residence zone to be approved:

a. Whether or not the dwelling unit meets all building, housing, and fire codes of the City;

The property owner has resolved building code violations from earlier this year. There are no fire code violations at this time. The Inspections department was not allowed access to the residence at their October 31st, 2024 unscheduled inspection, so was unable to verify the number of people actually residing at the subject property. **(Criteria Not Satisfied)**

b. Whether or not the property has off-street parking space for every vehicle which is owned, possessed or utilized by occupants of the building. Such parking spaces must meet all applicable standards of the City;

It does not appear that the applicant can satisfy the parking requirement on the property. The parking requirement for group living for which a conditional use permit is required is that off-street parking space for every vehicle which is owned, possessed, or utilized by the occupants of the building must be provided. In the case of this property, it seems this would be five vehicles, one owned by each resident. However, the LDC only recognizes a maximum of one parking space in a residential driveway. All other parking spaces must be located in a covered garage or in side or rear yards. There is no access to the rear yard, as from an alley, on this property. It does not appear that the side yard would accommodate a parking space. Thus, the maximum number of parking spaces available to meet the parking requirement would be three—two in the garage and one in the driveway. Even if the driveway were widened and a larger area of the lot paved, these parking spaces would still not be counted to meet the required parking requirement. It does not appear that the five parking spaces that are needed to meet the parking requirements of the LDC can be created on this property, to meet the demand of the five vehicles owned by the residents. Allowing some of the residents' vehicles to be parked on adjacent properties does not satisfy the requirements of this finding.

(Criteria NOT Satisfied)

c. The general condition of the building and whether or not it is in need of substantial repairs or renovation;

The Inspections Department has stated that they have found the property to be maintained and not in need of substantial repairs or renovation. **(Criteria Satisfied)**

d. Whether or not the requested occupancy is compatible with the neighborhood and will not create undue density and congestion.

Staff notes that CUP's for group living in an SR zoned area that have been approved were for uses that are regulated at the state level by the North Dakota Department of Health and Human Services. Those state regulations indicate that these group living uses must be allowed in single-dwelling districts. Further, the maximum number of residents was limited to four, and the residents in the case of the two such CUP's approved in 2023 do not drive, so parking was not a concern to staff.

The current request appears to be only for the benefit of the owner and the residents, and would allow five people, all of whom drive and have cars, to live in a single residential unit. As noted above, staff does not believe that sufficient parking spaces that meet the LDC requirements can be provided on the property.

All but one of the single-dwelling detached residences in this neighborhood are owner occupied; none has a CUP for group living. Allowing more than three unrelated people to live in the residence on the subject property, for the benefit of the owner and the residents, would be inconsistent with how this neighborhood is currently occupied. **(Criteria Not Satisfied)**

Staff Recommendation:

Suggested Motion: To accept the findings and recommendations of the Planning Commission and staff and deny the appeal of the conditional use permit to allow group living on Lot 11, Block 9, **Edgewood 2nd Addition** as presented, as the proposal does not satisfy all the criteria of Section 20-0909.D and Section 20-0402.E.

Planning Commission Recommendation: February 4th, 2025

At the February 4th, 2025 Planning Commission, that Commission by a vote of 7-0 with four Commissioners absent, moved to accept the findings and recommendations of staff and deny the proposed conditional use permit to allow group living on Lot 11, Block 9, **Edgewood 2nd Addition** as presented, as the proposal does not satisfy all the criteria of Section 20-0909.D and Section 20-0402.E.

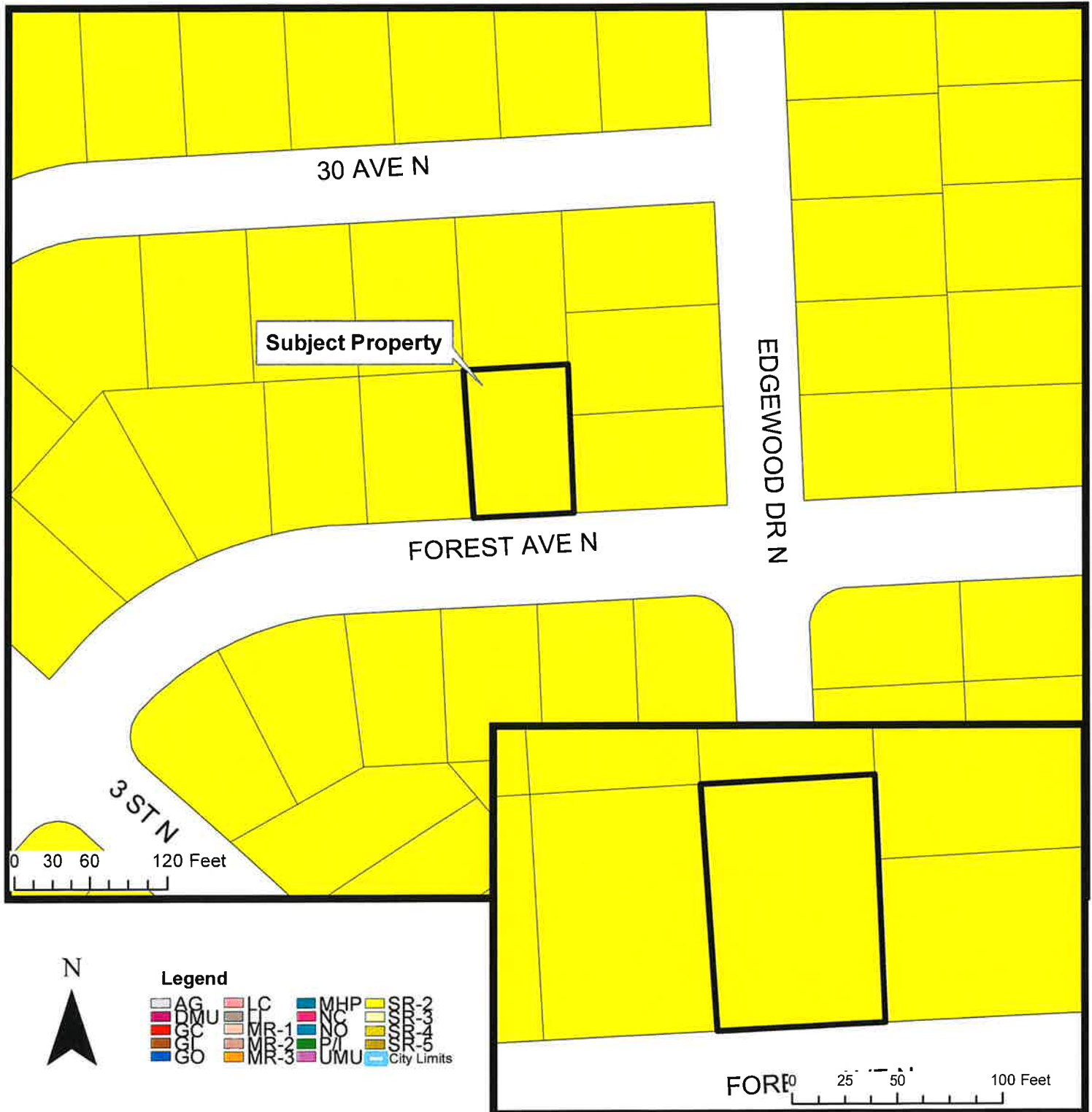
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Attachments:
1. Zoning map 2. Location map 3. Applicant's appeal letter 4. Applicant's documentation in support of the CUP 5. Public comments

**CUP, Conditional Use Permit to allow Group Living
in the SR-2, Single-Dwelling Residential zoning district**

Edgewood Second Addition

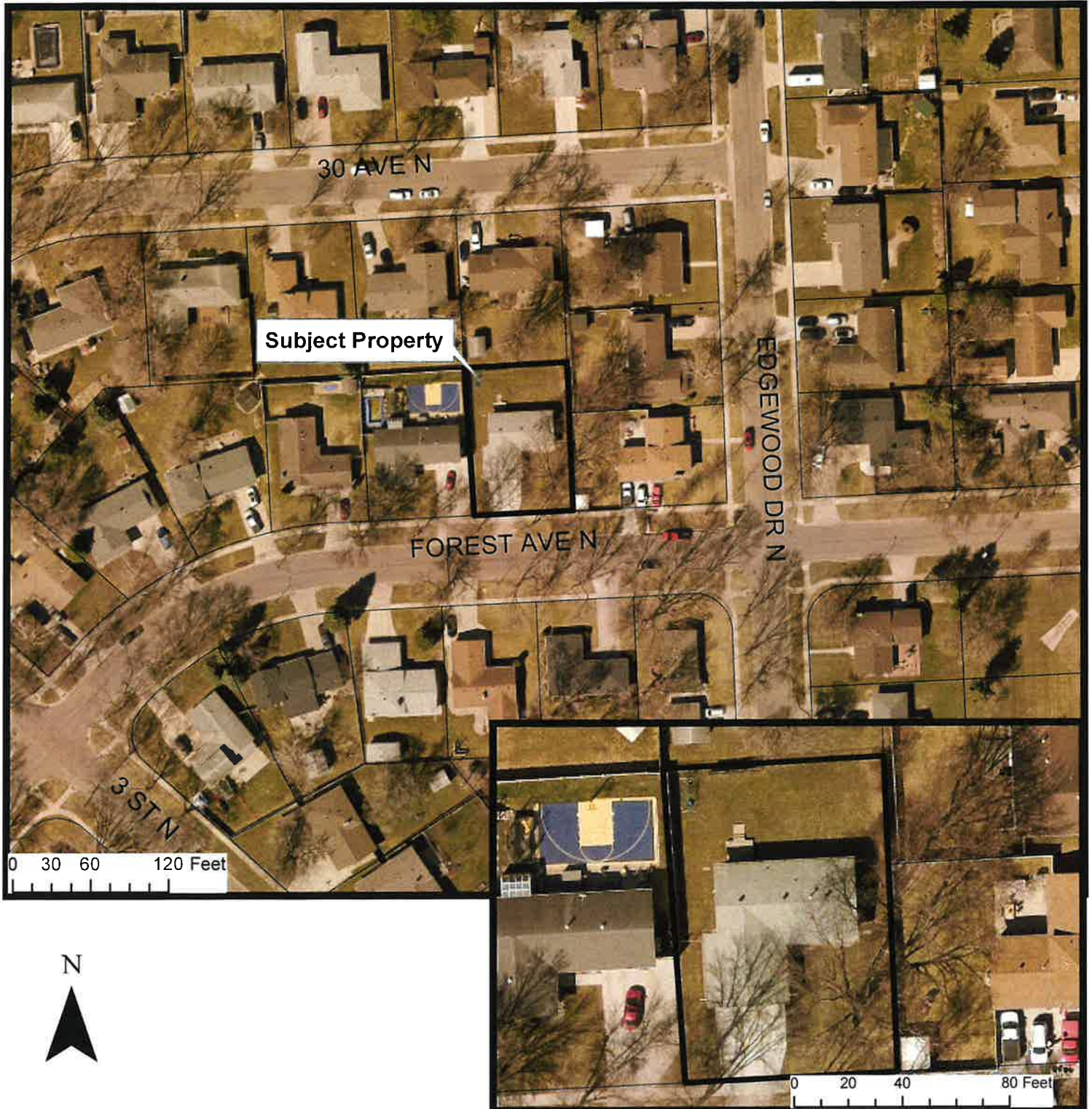
213 Forest Avenue North



**CUP, Conditional Use Permit to allow Group Living
in the SR-2, Single-Dwelling Residential zoning district**

Edgewood Second Addition

213 Forest Avenue North



To: The City of Fargo Planning Commission

RE: Supporting the Appeal for Conditional Use Permit for 213 Forest Ave N

We respectfully request an appeal of the Planning Commission's decision regarding our Conditional Use Permit (CUP) application for 213 Forest Ave N.

Since the initial hearing, additional neighbors and community leaders have come forward in support of our request, further reinforcing the positive impact of this housing arrangement within the neighborhood. Their support, along with the thoughtful concerns raised during the hearing, highlights the need for further review of this case.

Additionally, comments made by committee members acknowledged that the existing city code may no longer reflect the evolving needs of Fargo's residents. This underscores the importance of reconsidering our request within the broader housing policy discussion. Our situation presents an opportunity for the city to examine the potential impact of such a change on a conditional basis, allowing for a controlled and thoughtful evaluation without requiring a long-term commitment.

Given these factors, we believe there is a strong basis for reconsideration. We appreciate your time and consideration in granting this appeal and look forward to the opportunity to present our case at the hearing.

Sincerely,

Brad McCaslin

**DOCUMENTATION FROM APPLICANT
for his original conditional use permit application**

City of Fargo Letter
Application for Conditional Use Permit

Dear City of Fargo Planning and Development Department,

We, Brad, Erin, and Kelton McCaslin, are the owners of the property at 213 Forest Ave N through our LLC, Connecting Point, LLC. We are writing to respectfully request a conditional use permit that would allow our son Kelton and four fellow NDSU Football teammates to reside in this home.

Explanation of Current Living Situation

The home at 213 Forest Ave N was listed as a five-bedroom house when we purchased it in 2024. After acquiring the property, City officials informed us that the previous owner had not met all the requirements when renovating the basement, meaning the house was not legally recognized as a five-bedroom home at that time. We promptly took the necessary steps to complete the renovation, ensuring the property was up to code and passed all required city inspections.

This critical renovation allowed us to meet city standards. It was essential for the property's financial viability, enabling us to split costs among five tenants to make it sustainable. More importantly, splitting costs in five ways helps alleviate the significant financial burden these students face, making it possible for them to balance their intensive schedules without compromising on the quality or proximity of their housing. This balance is crucial not only for their academic success but also for their ability to perform athletically at a high level.

In addition, throughout this process, we have come to understand just how challenging it is for student-athletes to find safe, adequate housing that meets their needs at an affordable monthly rate and is close enough to campus to support their demanding academic and athletic schedules. Many available options near campus were limited and often in poor condition, creating environments that would not support the well-being or high performance expected of these young men. As student-athletes, they must have a stable and stress-free living environment that allows them to thrive—one that ensures they can study, rest, and recharge without added worries about the condition or safety of their home.

Neighborhood Support

From the outset, Kelton and his teammates have made it a priority to integrate positively into the neighborhood. This commitment is demonstrated by the strong support they have received from the community, with thirteen neighbors signing a letter supporting them. Every neighbor they asked was willing to sign support for them residing in the

home. These neighbors have recognized the boys' respectful demeanor, their willingness to help with community tasks, and their overall contribution to the neighborhood.

Addressing Concerns and Proactive Measures

We are aware of a complaint regarding parking and traffic congestion, which noted that while the boys have been polite and respectful, the code limiting unrelated occupants should be enforced due to these concerns. Kelton also acknowledged that during the first few days while moving in, cars were temporarily parked in the street and sometimes blocked the sidewalk while they moved in. This situation was temporary and continued to get better once access to the garage was restored, as it was being used to store items while the boys cleaned carpets and painted the interior.

The boys are aware of the potential traffic congestion and do their best to utilize the garage and three parking spaces in the driveway. At times, with their busy schedule, cars are temporarily parked where they can get in and out quickly. Admittedly, this is something that can continue to improve. We are open to discussing further measures to mitigate parking congestion, such as encouraging visitors to utilize nearby parking facilities when feasible.

Economic Context and Outdated Regulations

Since 2017, homes like 213 Forest Ave N have become increasingly unattainable for students due to rapidly rising housing costs. The MLS transaction history for this property highlights this sharp escalation: valued at \$159,900 in 2017, it increased to \$330,000 by 2024 when we purchased it. This significant rise in home values reflects a broader trend in the local and national housing market, where prices have surged far beyond the growth in wages or student financial aid.

Even by 2022, when these young men began their studies at NDSU, affording a home of this size as a group of three students was already challenging. However, in just a few short years, this situation has become even more difficult, virtually impossible, due to the continued increase in home prices while housing scholarships have remained unchanged. This has made it essential for student-athletes to pool resources effectively.

The upward trend in home prices is not unique to this property but reflects a broader challenge for students across Fargo. According to data from Redfin and Freddie Mac, the median mortgage payment in the U.S. has reached record levels, increasing by 78% since 2021. This presents unique challenges for students and young professionals striving to establish themselves. The City of Fargo's Land Development Code Diagnostic Report from September 8, 2020, acknowledges that current zoning

regulations are outdated and inflexible, making it difficult to meet contemporary housing needs. While we understand these regulations were developed with good intentions, they may not fully address the current realities facing young adults and students.

Commitment to Being Good Neighbors

Kelton and his teammates have demonstrated their dedication to maintaining a peaceful and well-kept environment. Beyond complying with neighborhood standards, they have engaged with and assisted several neighbors. Recently, for example, the boys helped an elderly neighbor—who was initially concerned about their presence—by moving a heavy item in her backyard. This gesture not only eased her concerns but also reinforced the boys' positive reputation as considerate members of the community. Acts like these are consistent with their character, as highlighted by the numerous neighbors who have signed to support them living together in their neighborhood.

Final Appeal for Consideration

We are mindful of the city's need to maintain its regulations. However, given the overwhelming support from the neighborhood, the proactive steps taken to address any concerns, and the boys' demonstrated positive impact, we respectfully request your approval of our application for a conditional use permit. Allowing these five young men to reside at 213 Forest Ave N will support their academic and athletic pursuits, foster community engagement, and help maintain the stability of our neighborhood.

Thank you for your time and consideration.

Sincerely,

Brad, Erin, and Kelton McCaslin



**City of Fargo Letter
Application For Conditional Use Permit**

Dear City of Fargo Planning and Development Department,

We, Brad, Erin, and Kelton McCaslin, are the owners of the property at 213 Forest Ave N through our LLC, Connecting Point, LLC. We are writing to request a conditional use permit allowing our son Kelton and four fellow NDSU Football teammates to continue residing in this home.

Background and Today's Impact

We purchased this property on May 17, 2024. When we began searching for a home in the spring of 2023, our goal was to provide Kelton with a stable living environment that could also serve as a stepping stone for future ownership. Given the rising cost of home ownership, we recognized the importance of securing a property sooner rather than later. We knew that sharing expenses with some teammates, along with our help, would be a doable situation on their limited budgets. It should be noted that this aligns with Fargo's reputation as a great place for young professionals and supports the city's growth strategy by helping young adults establish roots in the community.

This investment was not made with the intention of generating rental income but rather to support our son's transition into home ownership, a challenge that has become increasingly difficult for young people today. This non-commercial, family-oriented motivation underscores our genuine commitment to providing a supportive and stable home for Kelton and his teammates.

Finding both an affordable and liveable home near the campus was a difficult process. We also wanted something that had a chance to appreciate and grow in value. We ultimately chose this property and neighborhood due to its potential, proximity to NDSU, and the presence of other student renters and athletes.

As we all know, the current housing market presents historical challenges. According to Redfin's analysis of MLS data and Freddie Mac's Primary Mortgage Market Survey, the median mortgage payment in the U.S. has risen to a record high of \$2,894 per month. This marks an increase of 14% from last year, 23% from 2022 (the year our son started at NDSU), and a staggering 78% from 2021.

In our many conversations with the neighborhood and community leaders, as well as in reviewing the City's own study, it has become clear that longstanding regulations do not reflect the economic realities and pressures faced today. These regulations, while originally developed with good intentions, have had dramatically different impacts over the last couple of years when

not adjusted for current conditions. It seems more than appropriate to consider these changes to ensure that policies remain relevant and effective in today's economic landscape.

Neighborhood and Community Impact

A call was made to the NDSU Football office expressing concerns about the students living at this property, specifically football players. It was not to report that they had not done anything wrong. The concern was primarily that this is a family neighborhood and not suited for college students.

According to the most recent data from the City of Fargo, 53% of the housing units in this neighborhood are renter-occupied. Due to its proximity to the NDSU campus, one can assume many of these are college students. While we cannot specify how many of these renters are students, we are aware of multiple houses occupied by student renters. Strictly enforcing this ordinance on our property could lead to a cascading event throughout the neighborhood, potentially impacting many residents and students.

Furthermore, Fargo is often billed as a great place for young professionals, but current regulations may not fully support this reputation. Aligning city policies with its growth strategy would ensure Fargo remains attractive to young professionals and aligns with the city's desired development trajectory.

The City of Fargo's Land Development Code Diagnostic Report, dated September 8, 2020, highlights that current zoning regulations are outdated and inflexible, making it difficult to meet contemporary housing needs. These longstanding regulations, while originally developed with good intentions, have had dramatically different impacts over the last couple of years when not adjusted for current conditions. The current financial climate has further exacerbated these challenges, as illustrated by Redfin's analysis of MLS data and Freddie Mac's Primary Mortgage Market Survey. The need to revisit and revise these regulations has become even more urgent to address the significant economic pressures faced by students and young people today.

Notice of Complaints and Initial Concerns

We received a notice from the City of Fargo stating that several complaints were made about overcrowding at our home. The letter was dated the day the boys moved in, which, aside from its appealingly coordinated approach, seems odd given the positive interactions and support they have received from surrounding neighbors.

One neighbor came over on the same move-in day to question Kelton about the number of occupants and the condition of the yard. The previous owner had not maintained the yard for several weeks before our access, but the boys promptly addressed and resolved the issue within two days of moving in. What may have seemed like a legitimate complaint (as we did receive a notice of tall weed/grass violation from the city dated May 31, 2024) was actually a

sign of their care, responsiveness, and character. Before receiving any notice of an issue, their quick and responsible action reflects their genuine commitment to being good neighbors and maintaining the property.

Kelton also acknowledged that during the first two days, cars were temporarily parked in the street and sometimes blocked the sidewalk while they moved in. This situation was temporary and will further improve once access to the garage is restored, as it is currently being used to store items while the boys clean carpets and paint the interior.

We are concerned about further action by this individual, who has expressed that he does not believe college students (specifically athletes) should be living in this neighborhood. His actions have already potentially misrepresented the situation by portraying that multiple complaints were received by the city office. This appears to have been coordinated and prepared for their arrival. We worry about the extent to which he may go to have all the residents removed from the home, causing significant personal and financial impact. We want to ensure we are working through a fair and reasonable process that will not open the door for more extreme measures to reach his desired outcome.

Commitment to the Neighborhood

Our goal is to see the property appreciate in value, just as our neighbors desire for their own homes. We are committed to maintaining a peaceful, well-kept environment that positively contributes to the neighborhood's overall value. The boys have made significant efforts to integrate into the community, introducing themselves to neighbors and offering assistance such as window washing and painting. These are five very able-bodied college athletes who are willing to help neighbors in any way they can. Their actions have garnered the support of multiple neighbors, who have signed a letter endorsing their continued residence in the neighborhood. I would like to add that this was all but one of the homes around their property and that they were not turned down by anyone they approached. Everyone they spoke to welcomed their presence in the neighborhood.

Recently, the boys helped an elderly neighbor, initially one of the complainants, by assisting her with a heavy task in her backyard. This act of kindness further solidified their positive impact and relationship within the community. This neighbor has since signed a letter of support for the boys remaining in the home while also recommending additional neighbors who would do the same.

Summary of Key Points:

- **Home Selection:** We selected a home close to campus in an area where we knew other students and athletes were living and doing well.
- **Economic Hardships:** Current economics make this next to impossible for students these days, necessitating our help, which comes with high expectations of taking care of the investment.

- **Outdated Regulations:** The City of Fargo acknowledged in 2020 that current regulations are outdated, and that is well before the recent rises in home ownership costs, further straining this type of situation.
- **Positive Community Impact:** The boys' quick action in resolving the yard maintenance issue before receiving any formal complaint highlights their proactive and responsible nature, demonstrating their commitment to maintaining the property and community relations.

Request for Support

We respectfully request your consideration of our application for a conditional use permit. Allowing these five young men to remain in their home will not only support their academic and athletic pursuits but also maintain the stability and integrity of the neighborhood.

Thank you for your time and consideration.

Sincerely,

Brad, Erin, and Kelton McCaslin

[REDACTED]

Letter of Support for Neighbors to Sign

Subject: Letter of Support for Conditional Use Permit Application for 213 Forest Ave N.

We, the undersigned residents of the Northport neighborhood, are writing to express our support for the conditional use permit application submitted by Brad and Erin McCaslin for the property at 213 Forest Ave N. This permit will allow their son Kelton McCaslin and his four fellow NDSU Football teammates to continue residing in the home.

We understand the McCaslins purchased this property through Connecting Point, LLC solely to provide a stable living environment for their son and his teammates during their time at North Dakota State University. These young men have demonstrated high character both on and off the field, in the classroom, and within the community, as attested by the NDSU Football office.

We have interacted with Kelton and his roommates and have found them to be respectful and considerate neighbors. They have made efforts to maintain the property and assist other residents, reflecting their commitment to being good members of our community. Given the presence of other student renters in the area, we believe that strictly enforcing this ordinance could lead to broader disruptions.

We believe that granting this permit will support the academic and athletic pursuits of these students while preserving the integrity and stability of our neighborhood. Denying this request could lead to significant hardship for these young men and potential disruptions throughout our community, especially since we are aware that several other homes in our neighborhood are also rented by student-athletes.

We urge you to approve the McCaslins' application for a conditional use permit.

Sincerely,

Daniel Erichsen
Name

229 Forest Ave N
Address

[Signature]
Signature

D'andra Ballagher
Name

234 Forest Ave N
Address

D'andra Ballagher
Signature

Jason Quintanilla 313 Forest Ave N.
Name Address

[Signature]
Signature

Melanie Vagts 313 Forest Ave N.
Name Address

[Signature]
Signature

Rolf Brakutne 302 FOREST AVE N
Name Address

[Signature]
Signature

Diane Brakutne 302 Forest Ave N
Name Address

[Signature]
Signature

Impe Gittinger 214 Forest Ave N.
Name Address

[Signature]
Signature

[Signature] 225 Forest Ave
Name Address

[Signature]
Signature

Alex Katt 237 Forest Ave N
Name Address

[Signature]
Signature

Sarah Kasm 237 Forest Ave. N. Fargo
Name Address

[Signature]
Signature

Denise Scutsa 217 Forest Ave N Fargo
Name Address

Parker Scutsa
Signature

Parker Scutsa 217 Forest Ave N Fargo
Name Address

[Signature]
Signature

Name Address

Signature

Name Address

Signature

Name Address

Signature

Name Address

Signature

Shelly Koskullu
Name

225 Forest Ave. N. Fargo
Address

Signature

Name

Address

Signature

Name

Address

Signature

Name

Address

Signature

Name

Address

Signature

Name

Address

Signature

Name

Address

Signature

PUBLIC COMMENTS
received prior to the
February 4th, 2025 Planning Commission Hearing
(Note: That hearing was originally scheduled for January 7th, 2025)

From: Rich Folden

Sent: Friday, December 6, 2024 11:18 AM

To: Donald Kress <dkress@FargoND.gov>; David R. Slack

Subject: Permit

City of Fargo

Dear City of Fargo planning and development department.

We live at 2934 Edgewood Dr. N. We are just 1 of many neighbors that are unhappy with the boys living at 213 Forest Ave. N. I have received a copy of the conditional use permit and don't agree with many of things that are stated. This neighborhood is not 53% renter- occupied. There are apartments west of 3rd St. and they don't even go to the same elementary school. In our neighborhood we now have 3 houses that are rental properties. The owner of 2 of those properties also tried to violate the law and have 5 people move in. We also complained to the city until they moved out. They make it sound like they purchased the property for the family. It was purchased by an LLC for the use of a rental. They make it sound like it's impossible to find housing in Fargo. They also make it sound like the boys have no money and can't afford to live anywhere else. Every one of them drives a newer vehicle than I do. My kids are done with high school and have many friends who live on their own. Most of them are going to NDSU. They are all able to afford their living expenses. For the last 6 months they have deceived and straight out lied to the city about how many people were living in the property. They were informed that the city was going to do an inspection to count beds and see how many people are living there. They told the city officials that only 3 people were living there. Together with the neighbors we have pictures and videos of them moving a bed out, loading it in a truck parking the truck around the corner in front of my house and then after the inspection move it back inside. The city then tried to do an unannounced inspection but they refused to let them in the house. Only now after they got caught are they asking for permission. One of the problems is parking. It's not just the 5 boys that stay there is also their girlfriends and friends. I have seen up to 9 vehicles at one time. It's not just on one night but multiple nights. I have already had problems with my garbage service. I put my garbage can off to the side of my driveway and they parked so close that the garbage truck was not able to dump it. They say that they're doing such a wonderful job with maintaining the property. They didn't do so bad with mowing the yard. They did rake the leaves into a pile but didn't pick them up for weeks. They still ended up blowing all over the neighborhood. We are now into December and have had several days of snow including a blizzard but they have yet to shovel once. Their driveway and the sidewalk are still covered in snow. My problem is not just with the boys but with the owner of the property. It just seems like another landlord that is trying to do whatever they want. My wife grew up on 12th Street by NDSU. They watched their neighborhood go from a nice family neighborhood to all rentals. Every weekend they were on the phone with the police because of loud parties. Eventually her parents sold the house but feel like they lost money because the neighborhood had deteriorated because it was now all rentals. The city ordinance is there for a reason. All we and multiple neighbors are asking is that you enforce the law.

City ordinance LDC 20-0401 Overcrowding

- The limit of unrelated tenants in Fargo is three (3)

Rich Folden

From: David R. Slack
Sent: Sunday, December 15, 2024 9:41 AM
To: Donald Kress <dkress@FargoND.gov>
Cc: Rich Folden
Subject: 213 Forest Ave N

Mr. Kress,

We bought our house 24 years ago in the 200 block of Forest Ave N. We like most of our neighbors, we stay living on the 200 block of Forest Ave N due to being close to Longfellow School, mostly safe neighborhood, family neighborhood and everyone looking out for each other. There is a mix of elderly people that have lived in the 200 block of Forest Ave N since approximately 1970, families with grade school, middle school and high school kids and young couples just starting out. That all changed in May, 2024 when we got our first rental house in the 200 block of Forest Ave N and the renters and owners not following city rules, regulations and codes. I am going to address some of the statements Mr. McCaslin put in the application for a conditional use permit for group living below.

The McCaslin's own 213 Forest Ave N rental property through Connecting Point, LLC. When I checked with the North Dakota Secretary of State's office, Connecting Point, LLC is not registered, which it should be doing business in ND.

When Kelton and his teammates went around to get signatures from thirteen neighbors supporting them, they were also telling neighbors I didn't want them in the neighborhood. I am fine having 3 of them in the rental property which city code allows, not 5 plus girlfriends and friends. There are nights and mornings when there are 9 cars and pickups parked on the property plus both sides of the street.

The parking across the sidewalk still goes on weekly, it was not temporary. Parking across the sidewalk is done by the renters of 213 Forest Ave N, there friends and girl friends. This summer Logan Larson, one of the renters had a window washing business, so his employees/staff would stop almost daily, they parked across the sidewalk a lot. The 200 block of Forest Ave N is a walking route for many people of all ages year around. Parking across the sidewalk is not allowed according to Fargo regulations.

Mr. McCaslin says 213 Forest Ave N showed sharp escalation in value from 2017 till 2024. 213 Forest Ave N had been owned by the same family since it was new and very little updating had been done. When the owner died, his daughters sold it as a flip house due to the basement walls caving in and the amount of updating that needed to be done. When Connecting Point, LLC bought the house it had been sitting empty for approximately 6 months with very little interest from people looking at it due to the asking price.

The elderly neighbor Mr. McCaslin is referring to is Joyce Pettinger, 86 years old who had a large branch fall from one of her backyard trees. The boys hauled the tree from her backyard to the boulevard when she asked for there help. This was great of them to help her

but that's what neighbors do in this neighborhood is help each other out and look out for each other. Good neighbors don't break city rules, regulations and codes.

I called the NDSU football office and spoke to Rachael Kaczor, Football Administrative Assistant since we had no contact numbers of parents of these boys if there was a problem. She told me the boys all came from good families and to call her if there were any problems. I have not returned a call to her but have spoken to Fargo Cass Public Health, City of Fargo Inspections Department and City of Fargo Planning & Development numerous times about city rules, regulations and codes that are not being followed at 213 Forest Ave N.

When Connecting Point, LLC received a notice from the City of Fargo stating that there was overcrowding at 213 Forest Ave N, the renters in the house also received the notice. I had Logan Larson, one of the renters knock on our front door and ask if I had contacted the City of Fargo? I did not lie, I told him I had contacted the City of Fargo to find out the regulations for a rental house. He became upset and raised his voice saying where am I suppose to live if I have to move? I said that was not my problem and that he should talk to the owners because they must not have did there homework before buying the property. We had never locked our garage in the 24 years that we have lived on the 200 block of Forest Ave N except when we were gone for long periods of time. Since Logan Larson came over and expressed his concerns by raising his voice, we lock our garage at all times with fear that there will be retaliations to us or our property.

The boys did not address the lawn issue until having 2 visits from Fargo Cass Public Health official Laura Kahdang, Environmental Health Practitioner. On September 13, 2024 Lynne Olson, Rental Housing Inspector, City of Fargo conducted a planned inspection for overcrowding at 213 Forest Ave N. Nate Forystek, one of the renters was the only renter home during the inspection due to being injured and not traveling during NDSU away football games. Nathan Hayes, Nathaniel Staehling, Kelton McCaslin and Logan Larson, renters were all traveling due to NDSU away football game. Nate Forystek, told Lynne Olson that there were only 3 renters and she only saw 3 beds in the property. After Ms. Olson left, Nate Forystek walked down to the corner of Forest Ave N and Edgewood Drive North. Nathaniel Staehling's pickup was parked there and Nate Forystek drove the pickup into the garage at 213 Forest Ave N. In the bed of the pickup was either 2 mattresses or a mattress and box spring. I contacted Lynne Olson about what I saw and she came back and witnessed the pickup with mattress and box spring in the garage. Logan O'Brien, NDSU Volleyball player helped Nate Forystek carry the mattress and box spring back into 213 Forest Ave N yet that day. All 5 NDSU Football players/Renters, at 213 Forest Ave N lied to Lynne Olson, Fargo City Official. The City of Fargo Inspection Department and Planning & Development Department have pictures of the pickup with mattress and box spring sitting on the corner of Forest Ave N and Edgewood Drive North along with pickup sitting in the garage at 213 Forest Ave N with mattress and box spring in truck bed. There as been at least one unannounced overcrowding inspection tried to be conducted by the City of Fargo Inspection Department since September 13, 2024 and the renters refused the inspection to be done. Lying to the City of Fargo does not maintain the stability and

integrity of our neighborhood as stated at the end of Mr. McCaslin's "Application For Conditional Use Permit".

This winter it took 2 calls to Fargo Public Works before the renters shoveled the snow from there sidewalk at 213 Forest Ave N.

I request that the City of Fargo, Planning & Development, not recommend that Connecting Point, LLC be granted a conditional use permit for group living.

David R. Slack

12/30/2024

Dear Mr. Krew,

My wife and I have lived at 2938 Edgewood Drive N. for 45 years. Our home is right around the corner from 213 Forest Avenue N. Our back yards abut each other. This is a single family neighborhood. There are now five college students residing in the Forest Avenue house! At times, when friends come to visit them, there can be as many as nine vehicles parked at the residence and streets!

As Fargo City code does not allow more than three unrelated people residing in the same rental dwelling, we ask that you please deny the Conditional Use Permit applied for by Connecting Point, LLC. We don't want our neighborhood turned into a rental area.

Thank you,

Mike & Mary Jo Boelke



From: Tom Pettinger

Sent: Monday, December 30, 2024 2:04 PM

To: Donald Kress <dkress@FargoND.gov>

Subject: Conditional Lot 11 Block Use Permit

I live directly across the street from 213 Forest at 214 and wish to express denial of request. Group living causes too much traffic and limits bike and pedestrian in a single family dwelling area. This is a quiet area close to school and park, with many walkers and bikes etc. Lots of children. Allowing group living conditional would lead to more requests I feel and it is important to keep this North side area single family low traffic space. Thank you for considering our wishes.
Joyce Pettinger, 214 Forest Ave.

From: Jason Dannelly
Sent: Wednesday, January 8, 2025 11:42 AM
To: Donald Kress <dkress@FargoND.gov>
Subject: 213 Forest Ave Issue

My name is Jason Dannelly, and I own the property at 414 Forest Ave N. Recently, I learned through local news about a city ordinance issue involving the property at 213 Forest Ave N.

I have lived on Forest Ave since 2020 and frequently walk through the neighborhood with my family and dog, often passing 213 Forest Ave N on our way to Longfellow Park. My experiences with the residents of this property have always been positive. I have never observed anything out of the ordinary and have found them to be respectful and responsible neighbors who maintain their home and contribute positively to the community.

In my opinion, the Fargo Planning Commission should grant a conditional use permit to allow the current residents to continue living together under the same roof. If issues arise with parking, snow removal, or other concerns, I believe neighbors should address them directly with the residents. In my experience, they have been responsive and cooperative when approached.

For context, I live next to several rental properties. Whenever I've encountered minor issues, such as parking or lawn maintenance, I've found that simply communicating with the renters has been effective without involving the city. I believe this approach fosters better community relationships and resolves problems efficiently.

Thank you for considering my request.

--

Jason Dannelly

Phone call in opposition to granting CUP's for group living in residential neighborhoods from
Rodney Rexine 3301 Longfellow Road 9 Jan 25

PUBLIC COMMENTS
received since the
February 4th, 2025
Planning Commission hearing

From: Jerry and Shelley Krosbakken
Sent: Tuesday, March 4, 2025 8:40 AM
To: Donald Kress <dkress@FargoND.gov>
Subject: Conditional Use Permit

I am writing to you in response to an appeal to a Conditional Use Permit for Lot 11 Block 9 at 213 Forest Ave. N.

My wife and I have lived in the neighborhood since 1991. It's a great neighborhood much like many others in Fargo. I am sure there are other situations similar to this in Fargo but they go unnoticed because the neighbors are okay with the situation. Since there is someone in our neighborhood that has reported this incident it has put a divide in the neighborhood. That is obviously not a good thing. I know that rules and regulations have to be followed. In my line of work I have to do the same. But, also in my line of work common sense sometime has to prevail. I appeal to common sense in this situation and please allow these young men to stay in that house.

If this appeal is denied, I feel that the neighborhood will continue to be divided and that is not good for anybody.

Thanks for your time.

Jerry and Shelley Krosbakken

From: Maria Olson
Sent: Monday, March 3, 2025 5:52 PM
To: Donald Kress <dkress@FargoND.gov>
Subject: Conditional Use Permit Appeal to City Commission 213 Forest Ave

Dear Mr Kress,

I am writing to express my concern about the proposed CUP for 213 Forest Ave. I am a property owner within the 300' notification boundary. Although I have not been negatively impacted at this time by the group living situation, I do not think group living land uses are appropriate for this neighborhood for the following reasons:

1. Covenants exist for this property which restrict land use to single-family only uses. Although covenants are not enforced by the city, property owners do rely on them to protect their rights. It is a contract that all property owners are bound to when they purchase their property. We bought our property with these covenants in mind.

2. Conditional Use Permits generally run with the land, and that means that in four years when these college students move on, we as neighbors will be left with a property that will likely be stuck as a forever rental housing large numbers of individuals. There is nothing unique or special about this property that requires the city to give it property owner rights that its fellow neighbors do not have. At the very least I would request the city include a 5 year limit on this CUP.

3. The intersection of Edgewood Drive N and Forest Ave is an unmarked intersection. It is also the only outlet in our neighborhood to the east. It is the only way for my children to walk to Longfellow Park. I am very concerned about the dangers of low visibility due to on street parking at this intersection, especially since all of the streets in this neighborhood are curved and there is a large amount of old growth Elm trees on the boulevard. At the very least, please put up a yield or stop sign at this intersection if this CUP is approved.

Thank you,

Maria Olson
222 30th Ave N
Fargo, ND 58102

We are against the conditional use permit for

213 forest Ave N

Fargo, ND. 58102

2934 Edgewood Dr N

Address

Richard Folden

Print Name



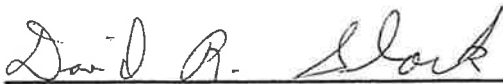
Signature

218 Forest Ave N

Address

David R. Slack - 3-13-2025

Print Name



Signature

**We are against the conditional use permit for
213 forest Ave N
Fargo, ND. 58102**

2938 Edgewood Drive North

Address

Mary Jo Baelke

Print Name

Mary Jo Baelke

Signature

8942 Edgewood Dr N

Address

clayme Meier

Print Name

Clayme Meier

Signature

We are against the conditional use permit for

213 forest Ave N

Fargo, ND. 58102

3001 Edgewood Dr. ~~East~~ North

Address

Megan Hokerski

Print Name

Signature

2938 Edgewood Drive N

Address

Mike Backe

Print Name

Signature

We are against the conditional use permit for
213 forest Ave N
Fargo, ND. 58102

214 Forest Ave N.

Address

Joyce Pettinger

Print Name

Joyce Pettinger

Signature

3/13/2025

Address

Print Name

Signature



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

MEMORANDUM

28

TO: City Commission

FROM: Nicole Crutchfield, Planning Director 

DATE: March 13, 2025

RE: Renaissance Zone Application for DH Ventures, LLC (369-F) for a project located at 508, 510 & 512 Broadway

The City received a Renaissance Zone (RZ) application from DH Ventures, LLC to rehabilitate a commercial building at 508, 510 & 512 Broadway. Pursuant to the application, the intent of the project is to renovate the existing building into five commercial spaces. Work includes new flooring, insulation and drywall, updates to HVAC, electrical and plumbing, roof repair and façade improvements of new doors, windows and restoring building to brick face. Attached is a copy of the staff report, application and corresponding materials.

As indicated in the attached documentation, the project meets all state and local requirements for approval and is consistent with goals and objectives as established in the Fargo Renaissance Zone Development Plan. The application indicates an investment of approximately \$350,000, which is approximately \$75 per square foot and exceeds the minimum investment threshold as set forth in the plan.

The RZA recommended approval unanimously on February 26, 2025.

Recommended Action: Approve the Renaissance Zone application for DH Ventures, LLC and grant property tax exemptions and State income tax exemptions as allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.



**Staff Report
Renaissance Zone Application for
DH Ventures, LLC (369-F)
508, 510 & 512 Broadway**

Project Evaluation:

The City of Fargo received a Renaissance Zone application from DH Ventures, LLC for a commercial rehabilitation project at 508, 510 & 512 Broadway. Pursuant to the application, the intent of the project is to renovate the existing building into five commercial spaces. Work includes new flooring, insulation and drywall, updates to HVAC, electrical and plumbing, roof repair and façade improvements of new doors, windows and restoring building to brick face.

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

1. **Renaissance Zone Plan Goals:** Use consistent with the RZ Plan (as per Visions and Goals): As noted in the 2025 Renaissance Zone Development Plan. *(portions of responses are from application)*
 - a. *Grow as a Neighborhood:* Invest in housing to increase the population living Downtown and maintain Downtown's diversity.
The application states that increasing business availability downtown naturally enhances the area's livability, attracting those who appreciate a walkable lifestyle, and that more residents in the heart of Fargo lead to a stronger sense of community and better support for local businesses, creating a self-sustaining cycle that drives more housing demand and neighborhood diversity.
 - b. *Prosper as a Business Center:* Increase the number and types of jobs Downtown.
That application notes that a restored, optimized commercial space attracts quality tenants and businesses, contributing to job creation, consumer traffic, and other economic activities in Downtown Fargo, and the increased foot traffic supports neighboring businesses and stimulates additional investments.
 - c. *Thrive as a Destination:* Create a unique Downtown experience with an activated riverfront and vibrant sidewalks and public spaces that serve as the backdrop of the community's social life.
The application states that returning the property to its original condition respects Fargo's architectural heritage, boosting local pride and creating a visually appealing landmark that enhances the surrounding area, attracting an increased number of visitors which will in turn improve communal interaction.
 - d. *Be a model for Inclusive Growth and Development:* Protect Downtown's diversity and evolve as a model for equitable growth and development.
The project does not address diversity in housing, public amenities, or needs for specific populations, such as those experiencing homelessness. The application notes that addressing neglected conditions and outdated infrastructure reduces safety hazards and lowers maintenance demand, and the project will serve diverse future tenants, fostering long-term business opportunities. See application for more information.
 - e. *Complete our Streets:* Make complete streets common place and encourage trips by foot, bicycle, and bus, as well as car.

The project will improve the storefront and new businesses will encourage more traffic. Bus Route 11 travels on this block on Broadway, and there are several stops within two blocks of the property.

- f. *Park Smart:* Manage parking resources to meet the needs of drivers, while also making room for new development and activity.
There is no parking on the property, however, the Mercantile parking ramp is within a block of the property and the ROCO parking ramp is about two blocks away.
- g. *Play with purpose:* Develop a system of connected all-season green spaces designed for people (of a range of ages and interests) and purpose (as infrastructure that absorbs stormwater).
The property does not currently include or allow for extensive green space or storm water infrastructure.

(13/20 points)

- 2. **Investment Thresholds:** Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan?

According to the application, the structure is 4,665 square feet. The application estimates a total capital investment of \$350,000. This equates to roughly a \$75 / square foot investment on the commercial space.

(10/10 points)

- 3. **High Priority Land Use:** The new construction or proposed improvements are representative of “High Priority Land Uses” as defined by this RZ Plan (page 9).
 - a. **Primary Sector Business:**
Staff is not aware that the proposed business is considered primary sector business.
 - b. **Active Commercial, Specialty Retail or Destination Commercial:**
Staff is not aware that the proposed business is considered active commercial, specialty retail, or destination commercial, however retail could be considered active commercial.
 - c. **Mixed Use Development:**
The project is not mixed use.

(7/20 points)

- 4. **Targeted Areas:** Is the investment located in a “Targeted Area” as defined by this RZ Plan? Consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance.
 - a. **Parcels that have been vacant or underutilized for an extended period of time:**
The building was built in 1914. The applicant has noted that most of the space has been vacant for some time.
 - b. **Parcels specifically targeted for clearance:**
The RZ Plan identifies Block 2 for Mixed Use – Ground floor retail/commercial with upper level housing.

(8/10 points)

- 5. **Urban Design:** Is the project representative of strong urban design principles?

The building was constructed in 1914. The project provides new flooring, insulation and drywall, updates to HVAC, electrical and plumbing, roof repair. Façade improvements of new doors, windows and restoring building to brick face, which will improve the look and materials that exist today. Doors and windows will be replaced, but maintain the amount of window front that exists today. The project is located within the DMU, Downtown-Mixed Use zoning district and will have to meet required design standards.

(9/10 points)

6. **Investment Analysis:** Consideration and analysis as to the total actual investment.

As proposed, the redevelopment project and improvement costs exceed both the 50% (true and full value of the building) and \$40 per square foot requirement for commercial rehabilitation. The application represents a total estimated capital investment of \$350,000 with a current building valuation of \$269,200. The capital investment is approximately \$75 per square foot.

(10/10 points)

7. **Business Relocation:** Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community?

Staff is not aware of any businesses moving or relocating to this location from another community.

(10/10 points)

8. **Street Activation:** Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?

The project will bring back a more historic building look with the use of brick on both the east and west façade, maintaining the storefront doors and windows along Broadway. The project also updates the west façade, which currently looks like the “back of house”, providing two lease spaces with glass walk-in and overhead doors, which will encourage vibrancy and foot traffic along Roberts Street.

(9/10 points)

Summary:

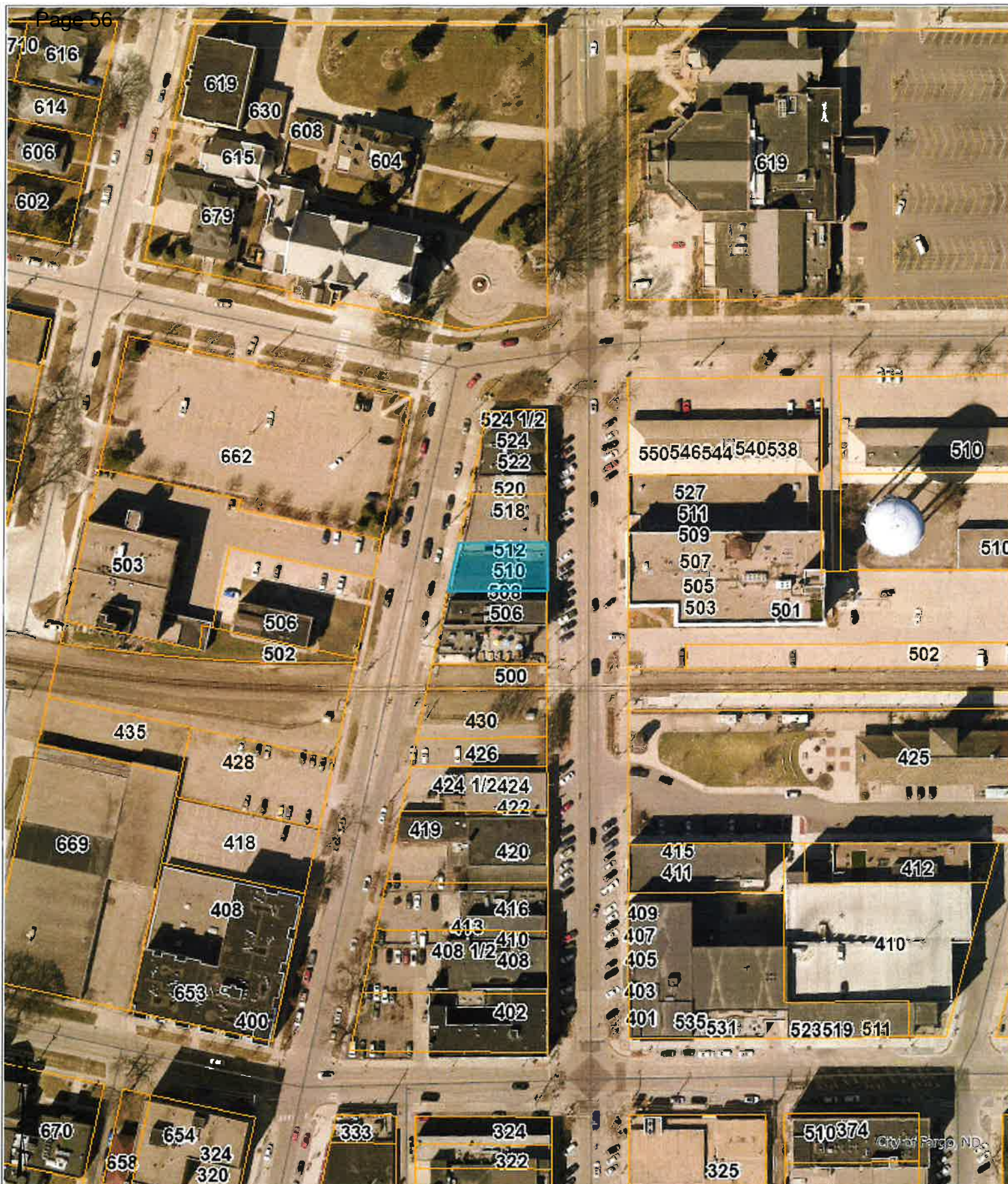
This application received a score of 76 on a 100-point scale. The proposed project surpasses the local capital improvement requirement of \$40 per square foot requirement for commercial rehabilitation. The amount invested in the project exceeds state and local guidelines.

Staff is recommending approval to the Fargo City Commission and believes this project is a benefit to the downtown community and will positively contribute to the health of surrounding neighborhood and nearby businesses.

Suggested motion:

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

Criteria:		Staff Rating	Possible Points
1	Use consistent with the plan (as per Vision and Goals)	13	20
2	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	10	10
3	The new construction or proposed improvements are representative of "High Priority Land Uses" as defined in the RZ Plan: • Primary sector business, industry and talent-dependent Enterprises • Active Commercial, Specialty Retail and/or Destination Commercial • Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)	7	20
4	The investment is located in a 'Target Area' as defined by the RZ Plan: • Parcels that have been vacant or underutilized for an extended period of time • Parcels specifically targeted for clearance	8	10
5	Is the project representative of strong urban design principles?	9	10
6	Consideration and analysis as to the total actual investment in the project: • Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment)	10	10
7	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: • Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority • Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority.	10	10
8	Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?	9	10
Total Rating (100 possible points)		76	100



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

508, 510 & 512 Broadway

1:2,257

2/10/2025 2:26 PM

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

THE CITY OF
Fargo
FAR MORE



Planning & Development
 225 4th Street North
 Fargo, North Dakota 58102
 Office: 701.241.1474 | Fax: 701.241.1526
 Email: Planning@FargoND.gov
www.FargoND.gov

APPLICATION FOR RENAISSANCE ZONE PROJECT

Property owners, business owners, developers or investors interested in pursuing a Renaissance Zone project should review the 2019 RZ Plan. The RZ Plan delineates the current geographical boundaries of the program (only certain blocks within the downtown core are included) and provides additional detail on minimum investment requirements and applicable program goals and objectives that must be met.

Application submitted for (check all that apply):

- | | |
|--|---|
| ☐ New Construction | ☐ Commercial Lease |
| ☒ Purchase with Major Improvements | ☐ Rehabilitation: ☐ Commercial ☐ Residential |
| ☐ Primary Residential Purchase | ☐ Block Addition |

Property Owner Information	Contact Person Information (if different than owner)
Name (printed): DH Ventures, LLC	Name (printed): Landon Holt
Name (printed):	Address:
Address: 508 Broadway N, Fargo, ND 58102	3155 Bluestem Dr #385, West Fargo, ND 58078

Parcel Information
Address: 508 Broadway N, Fargo, ND, 58102
Unit Number:
Renaissance Zone Block Number: 2
Legal Description (attach separate sheet if more space is needed): Lot 4&5; Block E; Supplemental Description: Kirkham
Lot 4&5; Block E; Supplemental Description: Kirkhams Subd; Addition Name: Chapin, Johnson, Barretts
Parcel Number: 01-0450-00400-000

Is this property listed on or a contributing structure to the National Register of Historic Places?	☐ Yes	☒ No
Do you intend to apply for a Historic Preservation Tax Credit in conjunction with this project?	☐ Yes	☒ No

Project Information	
Total Project Cost: (Qualified Capital Improvements)	\$350,000
Current Use of Property: Retail	
Anticipated Use Upon Completion: Retail	
Expected Date of Purchase: 11/8/2024	Expected Date of Occupancy: 4/1/2025
Estimated Property Tax Benefit: (Over five year exemption period)	\$58,200
Estimated State Income Tax Benefit: (Over five year exemption period)	\$50,000
Current Employees: (Full-time equivalent)	Anticipated Employees: (Full-time equivalent)

Scope of Work

Renovate exterior of property, new windows & doors, move metal, return to brick face. Redo floors including sub-floor, insulate sheet rock, new lighting, & drywall. Rerun HVAC system, electric, & plumbing. Repair damaged roof.

Additional Project Information

New Construction/Rehabilitation/Purchase with Improvements Only

Current Building Value: (Taxable Improvement Value) \$269,200	Estimated Building Value Upon Completion: (Taxable Improvement Value) \$619,200
Building Area Upon Completion (SF): 4665	Number of Stories Upon Completion: 1

Commercial Lease Only

Lease Area Upon Completion (SF):			
Type of Business:			
☐ New business moving to the Renaissance Zone	☐ Expanding Business moving to the Renaissance Zone	☐ Existing Business Expanding within the Renaissance Zone	☐ Continuation of a lease moving from one Renaissance Zone Project to another Renaissance Zone Project

Residential Purchase Only

Will this be your primary place of Residency?:
--

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

Owner (Signature): 	Date: <u>11-4-24</u>
Joint Owner (Signature): _____	Date: _____
Representative (Signature): _____	Date: _____

THE FOLLOWING CHECKLIST MUST BE COMPLETED AND SUBMITTED WITH THE APPLICATION FORM:

		Submitted	N/A
Renaissance Zone Project	Current photos of property, relevant to project scope and proposed renderings of the proposed project	☐	
	Certificate of Good Standing from the Office of the State Tax Commissioner	☒	
	Business Incentive Agreement from the Department of Commerce for all non-residential projects	☐	☐
	For residential purchases provide proof of ownership and closing date	☐	☒
	Goals and objectives as outlined in the 2015 Fargo Renaissance Zone Development Plan (Attachment A)	☒	☐

APPLICATION DEADLINES:

The Renaissance Zone Authority regularly meets on the Fourth Wednesday of each month at 8:00 am in the in the City Commission Chambers at 225 4th Street North, Fargo, ND 58102. For consideration during a monthly meeting:

- Renaissance Zone applications are due by 4:30 pm on the **last weekday of each month.**

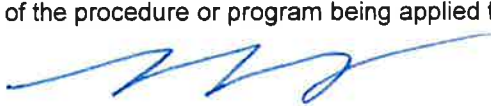
REQUIREMENTS, POLICIES, AND GUIDELINES:

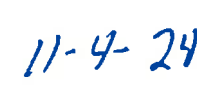
The Renaissance Zone is administered according to the following written documents, each of which are available on the City of Fargo's website.

- Renaissance Zone Designation
 - o City of Fargo Renaissance Zone Development Plan
 - o North Dakota Renaissance Zone Program Guidelines

CERTIFICATION:

Applicant certifies that, to the best of his/her knowledge and belief, the information contained in the application and attached hereto is true and correct. Applicant also certifies that he/she understands all written requirements, policies, and guidelines of the Fargo Renaissance Zone Authority, the City of Fargo, and/or the State of North Dakota governing the use of the procedure or program being applied for:





(Applicant's Signature) (Printed Name) (Date)

If the property owner(s) and applicant are different, the property owner certifies that he/she has full knowledge of this application and consents to its submission:

_____ (Applicant's Signature) _____ (Printed Name) _____ (Date)

_____ (Applicant's Signature) _____ (Printed Name) _____ (Date)

Goals of the Fargo Renaissance Zone Plan

Is the proposed use of the project consistent with the RZ Plan? As noted in the Renaissance Zone Development Plan the desired land use will contribute to a number of goals:

1. *Grow as a Neighborhood.* How will this project invest in housing to increase the population living Downtown and maintain Downtown's diversity?

Increasing business availability downtown naturally enhances the area's livability, attracting those who appreciate a walkable lifestyle. More residents in the heart of Fargo lead to a stronger sense of community and better support for local businesses, creating a self-sustaining cycle that drives more housing demand and neighborhood diversity.

2. *Prosper as a Business Center.* How will this project increase the number and type of jobs Downtown (or accessible from Downtown)?

A restored, optimized commercial space attracts quality tenants and businesses, contributing to job creation, consumer traffic, and other economic activities in downtown Fargo. The increased foot traffic supports neighboring businesses and stimulates additional investments.

3. *Thrive as a Destination.* How will this project create a unique Downtown experience with an activated riverfront and vibrant sidewalks and public spaces that serve as the backdrop to the community's social life?

Returning the property to its original condition respects Fargo's architectural heritage, boosting local pride and creating a visually appealing landmark that enhances the surrounding area, attracting an increased number of visitors which will in turn improve communal interaction.

4. *Be a Model for Inclusive Growth and Development.* How will this project protect Downtown's diversity and evolve as a model for equitable growth and development?

Addressing neglected conditions and outdated infrastructure not only reduces safety hazards but ensures a modernized, efficient layout that reduces utility strain. This benefits the community by providing a safer and more resilient building with lowered maintenance demands. By prioritizing structural and utility efficiency, this project prepares 508 Broadway to serve diverse future tenants, fostering long-term business opportunities that contribute sustained tax revenue for the city.

5. *Complete our Streets.* How will this project make complete streets common place and encourage trips by foot, bicycle, and bus, as well as car?

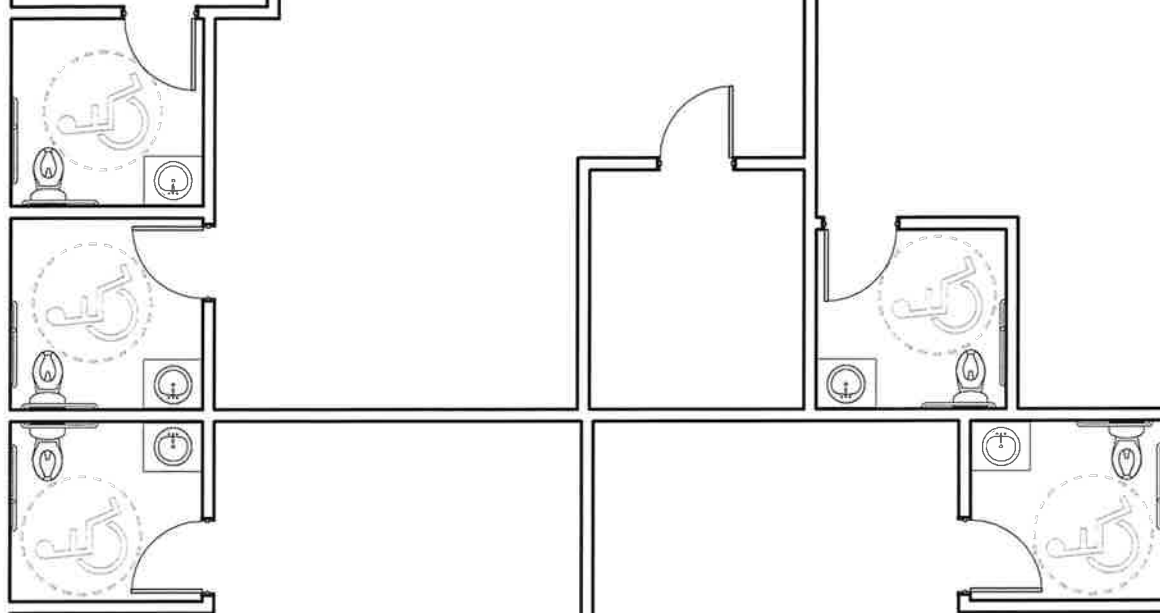
An improved and more attractive storefront with a diverse array of businesses will provide an incentive to visit the locale, increasing traffic by any means.

6. *Park Smart.* How will this project manage parking resources to meet the needs of drivers, while also making room for new development and activity?

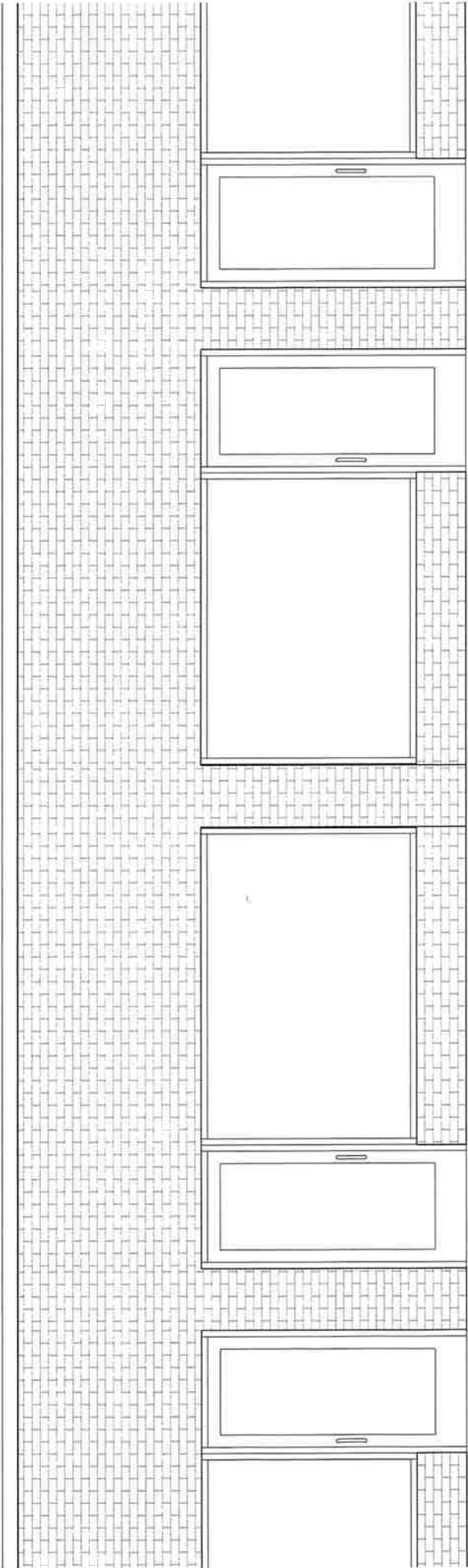
Parking in the area is limited in the front and rear, however improved signage indicating proper usage outside the storefront can reduce the clutter of improperly parked vehicles.

7. *Play with Purpose.* Will this project develop a system of connected all-season green spaces designed for people (of a range of ages and interests) and purpose (as infrastructure that absorbs stormwater)?

The building lacks the capacity to develop this aspect within its space.

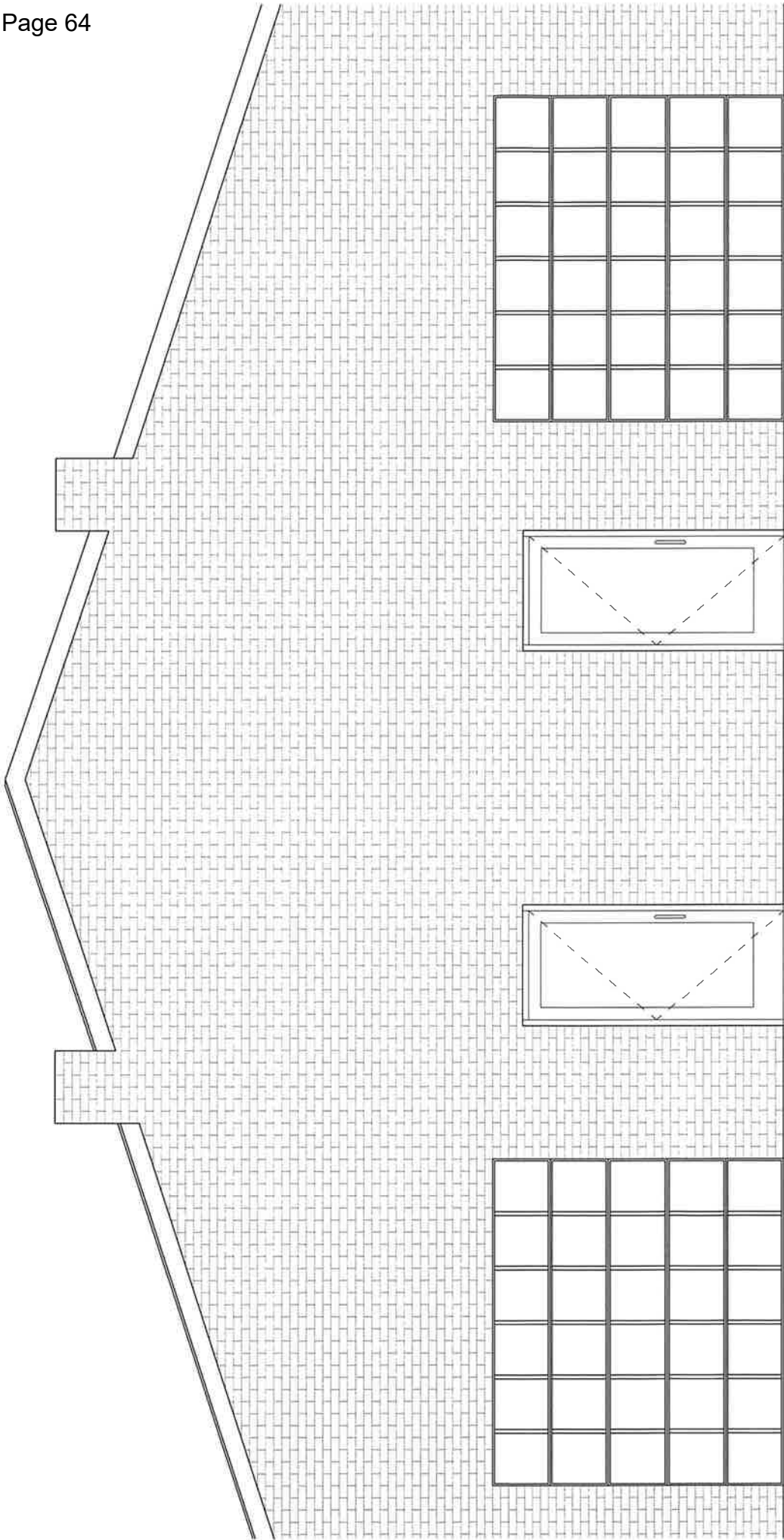


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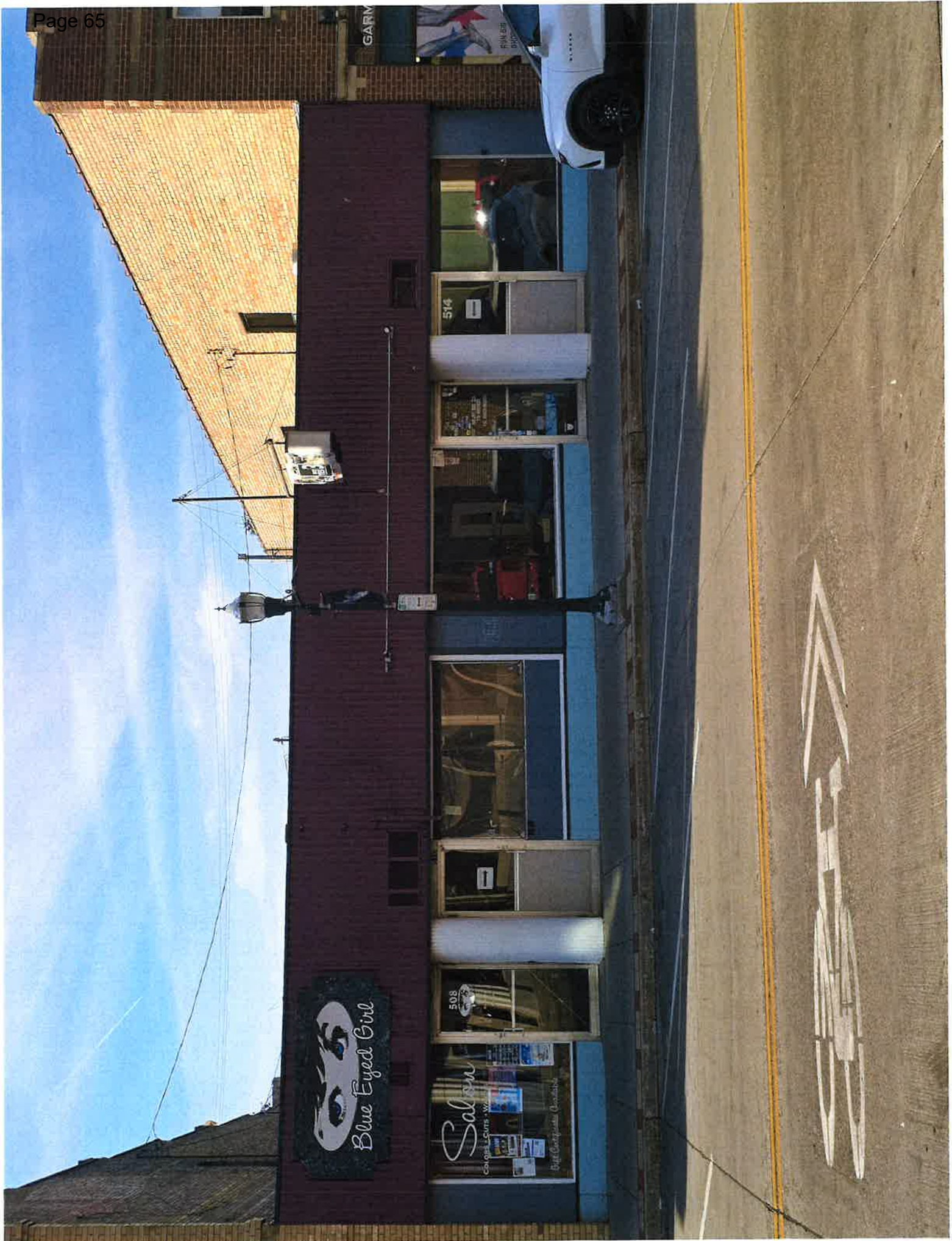
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VATION









**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

29

MEMORANDUM

TO: City Commission

FROM: Nicole Crutchfield, Planning Director *NW*

DATE: March 13, 2025

RE: Renaissance Zone Application for Cass Clay Community Land Trust (370-F) for a project located at 717 3 Avenue North

The City received a Renaissance Zone (RZ) application from The City of Fargo received a Renaissance Zone application from Cass Clay Community Land Trust to construct a commercial rehabilitation and new construction project at 717 3 Ave N. Pursuant to the application, the intent of the project is to rehabilitate the existing building to renovate the interior into an office space, update the exterior façade, and add a 706 square foot building addition. Attached is a copy of the staff report, application and corresponding materials.

As indicated in the attached documentation, the project meets all state and local requirements for approval and is consistent with goals and objectives as established in the Fargo Renaissance Zone Development Plan. The application indicates an investment of approximately \$100,000 which is approximately \$162 per square foot for the rehabilitation and an investment of approximately \$250,000 which is approximately \$354 per square foot for the new construction. Both values exceed the minimum investment thresholds as set forth in the plan.

The RZA recommended approval unanimously on February 26, 2025.

Recommended Action: Approve the Renaissance Zone application for Cass Clay Community Land Trust and grant property tax exemptions and State income tax exemptions, allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.





**Staff Report
Renaissance Zone Application for
Cass Clay Community Land Trust (370-F)
717 3 Ave N**

Project Evaluation:

The City of Fargo received a Renaissance Zone application from Cass Clay Community Land Trust to construct a commercial rehabilitation and new construction project at 717 3 Ave N. Pursuant to the application, the intent of the project is to rehabilitate the existing building to renovate the interior into an office space, update the exterior façade, and add a 20' x 20' building addition. This would include shifting the building on site, adding the building addition, and remodeling the interior space by adding a second entry, waiting area, storage, bathrooms, and a basement. The building will be one story in height and approximately 1,322 square feet total.

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

1. **Renaissance Zone Plan Goals:** Use consistent with the RZ Plan (as per Visions and Goals): As noted in the 2024 Renaissance Zone Development Plan (*portions of responses are from applicant, as noted*). *See application for additional information.*
 - a. *Grow as a Neighborhood:* Invest in housing to increase the population living Downtown and maintain Downtown's diversity.
The project does not provide any housing.
 - b. *Prosper as a Business Center:* Increase the number and types of jobs Downtown.
There is one tenant space proposed for the Community Land Trust. Expanding the existing building will allow them to add more full-time staff.
 - c. *Thrive as a Destination:* Create a unique Downtown experience with an activated riverfront and vibrant sidewalks and public spaces that serve as the backdrop of the community's social life.
The project does not include the riverfront, increasing sidewalks, nor public spaces.
 - d. *Be a model for Inclusive Growth and Development:* Protect Downtown's diversity and evolve as a model for equitable growth and development.
The project does not address diversity, public amenities, or needs for specific populations.
 - e. *Complete our Streets:* Make complete streets common place and encourage trips by foot, bicycle, and bus, as well as car.
The project does not address complete streets or multi-modal transportation. MATBUS Routes 13, 17, and 33 are within a few blocks of the subject property, running along 2 Avenue North, 10 Street North, 4 Avenue North, and 7 Street North

- f. *Park Smart*: Manage parking resources to meet the needs of drivers, while also making room for new development and activity.

There are 3 parking spaces proposed on the subject property. The applicant will encourage agreements between neighboring properties to share parking resources by utilizing spaces during off-peak hours. The DMU, Downtown Mixed-Use zone does not have parking requirements per the Land Development Code.

- g. *Play with purpose*: Develop a system of connected all-season green spaces designed for people (of a range of ages and interests) and purpose (as infrastructure that absorbs stormwater).

The existing building and parking do not currently include any extensive green spaces or storm water retainage. Plans include general green space around the perimeter of the building.

(13/20 points)

2. **Investment Thresholds**: Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan?

According to the application, the structure accommodates 1,322 square feet, as follows:

- *Proposed Building Total*: approximately 1,322 SF
- *Building Renovation (existing)*: approximately 616 SF
- *Building Addition (with mezzanine)*: approximately 706 SF

Overall, the application estimates a total capital investment of \$350,000. \$100,000 is for the renovation, and \$250,000 is for the new construction. This equates to roughly a \$162.34 investment per square foot on the renovated portion, and \$354.11 for the building addition full building.

(10/10 points)

3. **High Priority Land Use**: The new construction or proposed improvements are representative of “High Priority Land Uses” as defined by this RZ Plan (page 6).

- a. **Primary Sector Business**:
Staff is not aware that the applicant is specifically targeting primary sector business.
- b. **Active Commercial, Specialty Retail or Destination Commercial**:
Staff is not aware that the applicant is specifically targeting these specific commercial typologies.
- c. **Mixed Use Development**:
The project is not mixed-use.

(3/20 points)

4. **Targeted Areas**: Is the investment located in a “Targeted Area” as defined by this RZ Plan? Consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance.

- a. **Parcels that have been vacant or underutilized for an extended period of time**:

The subject property was built in 1907 and has been designated as a single-family use in the RZ Plan. The Community Land Trust has owned the property since July of 2022. Prior to that, the property was vacant since at least 2019.

- b. Parcels specifically targeted for clearance:

The RZ Plan identifies Block 43 for: Preservation potential on the southwest portion. The East half for clearance and redevelopment (except NE corner), preservation of SE corner; mixed use or housing. The Northwest for clearance and redevelopment; mixed-use or housing.

(10/10 points)

5. **Urban Design:** Is the project representative of strong urban design principles?

The building will keep its existing structure and design as well as adding a basement and building addition. The building was constructed in 1907, and the rehab maintains the character of the building while adding the addition to the rear of the structure. The addition appears to have a different architectural character than the existing structure. The overall project includes adding surface level parking on the property along the alley to the east. The project is located within the DMU, Downtown-Mixed Use zoning district and will have to meet the architectural intent of that zoning district requirements as well.

(8/10 points)

6. **Investment Analysis:** Consideration and analysis as to the total actual investment.

As proposed, the redevelopment portion of the project and improvement costs significantly exceed both the 50% (true and full value of the building) and \$40 per square foot requirement for commercial rehabilitation. As previously noted, the application represents a total estimated investment of \$100,000, investing nearly three times the current building value. This equates to roughly a \$162.34 investment per square foot on the existing commercial portion.

The new construction portion of the project and improvement costs significantly exceeds the \$100 per square foot requirement, proposing a total estimated investment of \$250,000. This equates to roughly a \$354.11 investment per square foot of the new construction portion.

(10/10 points)

7. **Business Relocation:** Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community?

The project does not involve the movement or relocation of a business from another community. The current business is expanding from a different downtown Fargo location to operate in a larger space to be prepared with this project.

(10/10 points)

8. **Street Activation:** Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?

Renaissance Zone projects are anticipated to be conscience of four-sided design, which has been seen with other projects within the downtown, this project will be a rehabilitation of an existing building and building an addition onto it.

(8/10 points)

Summary:

This application received a score of 72 on a 100-point scale. The applicant met criteria and the use is consistent with the RZ Plan. In addition, the proposed project surpasses the local capital improvement requirement of \$40 per square foot requirement for commercial rehabilitation as well as the \$100 per square foot requirement for new construction. The amount invested in the project exceeds state and local guidelines. The project does involve the relocation of commercial businesses from another area in Fargo. This project will make use of a lot that is currently underutilized.

Staff believes that this project will be a benefit to the downtown community and will positively contribute to the health of surrounding neighborhood and nearby businesses and is recommending approval.

Suggested motion:

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

Criteria:		Staff Rating	Possible Points
1	Use consistent with the plan (as per Vision and Goals)	13	20
2	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	10	10
3	The new construction or proposed improvements are representative of "High Priority Land Uses" as defined in the RZ Plan: • Primary sector business, industry and talent-dependent Enterprises • Active Commercial, Specialty Retail and/or Destination Commercial • Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)	3	20
4	The investment is located in a 'Target Area' as defined by the RZ Plan: • Parcels that have been vacant or underutilized for an extended period of time • Parcels specifically targeted for clearance	10	10
5	Is the project representative of strong urban design principles?	8	10
6	Consideration and analysis as to the total actual investment in the project: • Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment)	10	10

7	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: • Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority • Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority.	10	10
8	Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?	8	10
Total Rating (100 possible points)		72	100



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

Cass Clay Community Land Trust

1:1,128

2/19/2025 10:00 AM

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

THE CITY OF
Fargo
FAR MORE



Planning & Development
 225 4th Street North
 Fargo, North Dakota 58102
 Office: 701.241.1474 | Fax: 701.241.1526
 Email: Planning@FargoND.gov
www.FargoND.gov

APPLICATION FOR RENAISSANCE ZONE PROJECT

Property owners, business owners, developers or investors interested in pursuing a Renaissance Zone project should review the 2019 RZ Plan. The RZ Plan delineates the current geographical boundaries of the program (only certain blocks within the downtown core are included) and provides additional detail on minimum investment requirements and applicable program goals and objectives that must be met.

Application submitted for (check all that apply):

- | | |
|---|---|
| ☒ New Construction | ☐ Commercial Lease |
| ☐ Purchase with Major Improvements | ☒ Rehabilitation: ☒ Commercial ☐ Residential |
| ☐ Primary Residential Purchase | ☐ Block Addition |

Property Owner Information	
Name (printed):	Cass Clay Community Land Trust
Name (printed):	
Address:	717 3rd Avenue North

Contact Person Information (if different than owner)	
Name (printed):	Trenton Gerads
Address:	109 1/2 North Broadway #203
	Fargo, ND 58102

Parcel Information	
Address: 717 3rd Avenue North	
Unit Number:	
Renaissance Zone Block Number: 43	
Legal Description (attach separate sheet if more space is needed):	See Attached
See Attached	
Parcel Number: 01-2382-01451-000	

Is this property listed on or a contributing structure to the National Register of Historic Places?

☒ Yes

☐ No

Do you intend to apply for a Historic Preservation Tax Credit in conjunction with this project?

☒ Yes

☒ No

Project Information	
Total Project Cost: (Qualified Capital Improvements) \$350,000 (\$100,000 Rehab, \$250,000 New Construction)	
Current Use of Property: Vacant	
Anticipated Use Upon Completion: Office space for Cass Clay CLT	
Expected Date of Purchase: We own the property	Expected Date of Occupancy: 10/31/2025
Estimated Property Tax Benefit: (Over five year exemption period) \$22,245	Estimated State Income Tax Benefit: (Over five year exemption period) \$0
Current Employees: 3 (Full-time equivalent)	Anticipated Employees: 4 (Full-time equivalent)

Scope of Work**Renovation:**

Cass Clay CLT has owned 717 3rd Ave N since July of 2022. We plan to renovate the current structure to its historic significance. We will be removing the current foundation and pouring a new foundation twelve feet to the east. The basement will extend to the newly constructed area as well. Work also includes new windows, metal siding, front porch, and doors.

New Construction:

We will be adding an addition onto the back of the current structure that will contain a loft. The basement will include egress windows and be plumbed for future expansion, until then, the basement will remain unfinished. Upon completion, this space will serve as the offices for Cass Clay CLT.

Additional Project Information

New Construction/Rehabilitation/Purchase with Improvements Only

Current Building Value: (Taxable Improvement Value) \$34,500	Estimated Building Value Upon Completion: (Taxable Improvement Value) \$300,000
Building Area Upon Completion (SF): 1,322	Number of Stories Upon Completion: 1

Commercial Lease Only

Lease Area Upon Completion (SF):			
Type of Business:			
☐ New business moving to the Renaissance Zone	☐ Expanding Business moving to the Renaissance Zone	☐ Existing Business Expanding within the Renaissance Zone	☐ Continuation of a lease moving from one Renaissance Zone Project to another Renaissance Zone Project

Residential Purchase Only

Will this be your primary place of Residency?:
--

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

Owner (Signature): 	Date: <u>1-31-2025</u>
Joint Owner (Signature): _____	Date: _____
Representative (Signature): _____	Date: _____

THE FOLLOWING CHECKLIST MUST BE COMPLETED AND SUBMITTED WITH THE APPLICATION FORM:

		Submitted	N/A
Renaissance Zone Project	Current photos of property, relevant to project scope and proposed renderings of the proposed project	☒	
	<u>Certificate of Good Standing</u> from the Office of the State Tax Commissioner	☒	
	<u>Business Incentive Agreement</u> from the Department of Commerce for all non-residential projects	☐	☐
	For residential purchases provide proof of ownership and closing date	☐	☒
	Goals and objectives as outlined in the 2015 Fargo Renaissance Zone Development Plan (Attachment A)	☒	☐

APPLICATION DEADLINES:

The Renaissance Zone Authority regularly meets on the Fourth Wednesday of each month at 8:00 am in the in the City Commission Chambers at 225 4th Street North, Fargo, ND 58102. For consideration during a monthly meeting:

- **Renaissance Zone** applications are due by 4:30 pm on the **last weekday of each month**.

REQUIREMENTS, POLICIES, AND GUIDELINES:

The Renaissance Zone is administered according to the following written documents, each of which are available on the City of Fargo's website.

- **Renaissance Zone Designation**
 - o City of Fargo Renaissance Zone Development Plan
 - o North Dakota Renaissance Zone Program Guidelines

CERTIFICATION:

Applicant certifies that, to the best of his/her knowledge and belief, the information contained in the application and attached hereto is true and correct. Applicant also certifies that he/she understands all written requirements, policies, and guidelines of the Fargo Renaissance Zone Authority, the City of Fargo, and/or the State of North Dakota governing the use of the procedure or program being applied for:



Trenton Gerads

1/31/2025

(Applicant's Signature)

(Printed Name)

(Date)

If the property owner(s) and applicant are different, the property owner certifies that he/she has full knowledge of this application and consents to its submission:

(Applicant's Signature)

(Printed Name)

(Date)

(Applicant's Signature)

(Printed Name)

(Date)

Goals of the Fargo Renaissance Zone Plan

Is the proposed use of the project consistent with the RZ Plan? As noted in the Renaissance Zone Development Plan the desired land use will contribute to a number of goals:

1. *Grow as a Neighborhood.* How will this project invest in housing to increase the population living Downtown and maintain Downtown's diversity?

This project itself will not grow the population downtown. However, turning underutilized or vacant historic buildings into usable space will preserve the character of the downtown area and give people another reason to come to downtown and explore.

2. *Prosper as a Business Center.* How will this project increase the number and type of jobs Downtown (or accessible from Downtown)?

Well-maintained historic properties can enhance property values and the overall appeal of the downtown area, fostering an environment conducive to business development. A renovated historic site can foster community pride and engagement, which not only helps retain current businesses but also attracts new ones interested in being part of a vibrant downtown culture.

This space will allow us to hire two more full-time professionals.

3. *Thrive as a Destination.* How will this project create a unique Downtown experience with an activated riverfront and vibrant sidewalks and public spaces that serve as the backdrop to the community's social life?

A blend of historic preservation with modern uses can create a dynamic space that reflects the community's heritage while meeting contemporary needs. A renovated office space attracts employees and visitors, it can lead to increased foot traffic on sidewalks, encouraging nearby businesses to create outdoor seating or retail spaces, enhancing the overall vibrancy of the area.

4. *Be a Model for Inclusive Growth and Development.* How will this project protect Downtown's diversity and evolve as a model for equitable growth and development?

Designing public spaces that prioritize safety and comfort encourages participation from diverse groups, including families, seniors, and individuals with disabilities.

5. *Complete our Streets.* How will this project make complete streets common place and encourage trips by foot, bicycle, and bus, as well as car?

This project will bring more households interested in becoming homeowners to the downtown area. With that said, this property is tucked between single-family housing units and two large-scale senior housing units and is not fully visible from the major streets.

6. *Park Smart.* How will this project manage parking resources to meet the needs of drivers, while also making room for new development and activity?

Encourage agreements between neighboring properties to share parking resources, maximizing efficiency by utilizing spaces during off-peak hours. We plan to have 3-4 parking spaces for Cass Clay CLT clients.

7. *Play with Purpose*. Will this project develop a system of connected all-season green spaces designed for people (of a range of ages and interests) and purpose (as infrastructure that absorbs stormwater)?

No

RHET
ARCHITECTURE

RHET ARCHITECTURE, LLC
ATTN: RHEAT FARGO, ND
27110 ST. N. FARGO, ND 58102
PHONE: 701.781.3532
CELL: 701.340.2367
EMAIL: RHEAT@RHET-ARCH.COM
WEB: WWW.RHET-ARCH.COM

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Drawn: Rhet Architecture
Checked: Rhet Architecture
Date: 03/27/2021 SHEET NO. 001

PROJECT:
**MILTON EARL
BEEBE REMODEL**
717 306 AVE. N.
FARGO, ND 58102

OWNER:
**CASS CLAY COMMUNITY
LAND TRUST**
2000 1ST AVE. N. FARGO, ND 58102
701.500.8038

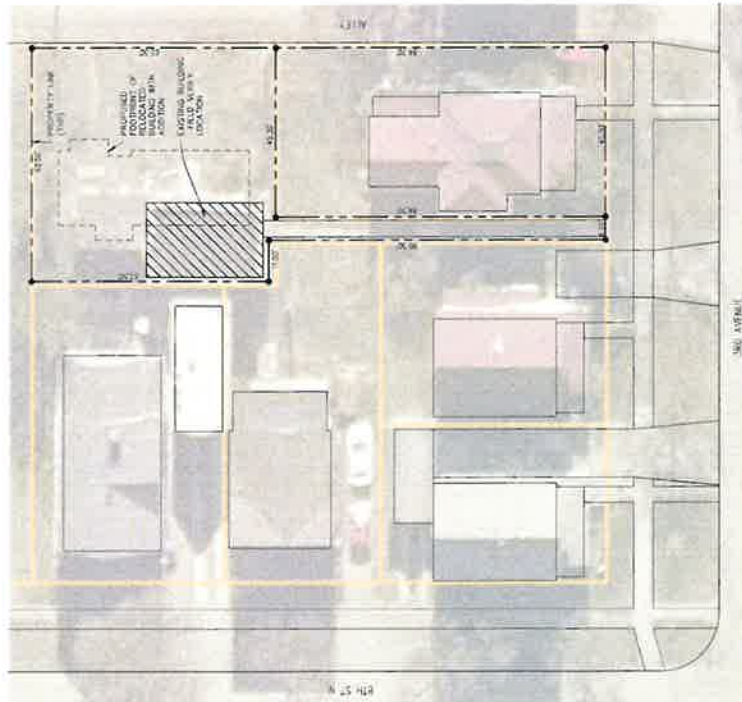
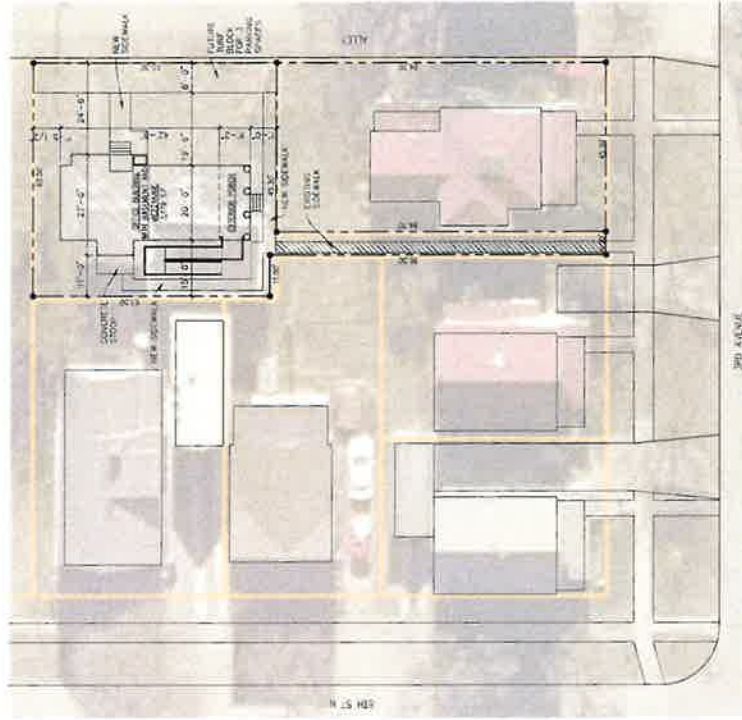
CD	CONSTRUCTION DOCUMENTS	000000
DATE	DESCRIPTION	DATE

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PROJECT NO: 21-11103
DRAWN BY: MA
CHECKED BY: BF

DRAWING TITLE:
**COVER SHEET,
CODE DATA, WALL TYPES,
TYPICAL ADA ELEVATIONS**

A001



1. NEW SITE PLAN
SCALE: 1/8" = 1'-0"

2. SITE DEMO/RELOCATION PLAN
SCALE: 1/8" = 1'-0"

RHET ARCHITECTURE, LLC
ATTN: RHET FISKESS, AIA
27 11th ST. N. FARGO, ND 58102
PHONE: 701.715.9232
CELL: 701.388.2867
EMAIL: RHET@RHET-ARCH.COM
WEB: WWW.RHET-ARCH.COM

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly registered Professional Engineer under the laws of the State of North

Signature Paul Fickness Date 9/27/2023 Page No. 1819

PROJECT:
MILTON EARL
BEEBE REMODEL
717 3rd AVE N
FARGO, ND 58102

OWNER
CASS CLAY COMMUNITY
LAND TRUST
109 1/2 BROADWAY N #203
FARGO, ND 58102
701.540.8028

REVISION A000 A201 A521	02/27/2022
REVISION A201 A501 A601	05/10/2023
REVISION A201 A202 A521 A601	10/07/2022
REVISION A000 A201 A202 A521	11/10/2022
CONSTRUCTION DOCUMENTS	9/27/2022

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PROJECT NO.	22-111603
DRAWN BY	MA
CHECKED BY	RF
DRAWING TITLE	
1ST FLOOR PLAN	

A201

GENERAL PLAN NOTES:

- ALL INTERIOR WALLS ARE 3 1/2" WOOD JOIST WALLS WITH 5/8" G.W.S. UNLESS OTHERWISE NOTED
1. ALL IN-PLACE CONCRETE TO BE OUTSIDE OF FORMING
2. FOUNDATION: NOMINAL 10" CAST-IN-PLACE CONCRETE FOUNDATION WALLS 30'-0" STRIP FOOTING, 18" MIN. THICKNESS, 4" MIN. COVER, REINFORCED WITH 4# BARS AND 2#08 AT BASELINE. THICKENED SLABS AND 2#08 AT BASELINE. THICKENED SLABS AND 2#08 AT BASELINE.
3. PROVIDE PERIMETER DRAIN TILE AT ALL FOUNDATION WALLS
4. PROVIDE 2" EXTRUDED POLYSTYRENE INSULATION AT ALL FOUNDATION PERIMETERS. PROTECT INSULATION WITH PRE-CAST METAL FLASHING. PROVIDE 2" MIN. THICKNESS FLASHING AT ALL FOUNDATION WALLS.

PLAN NOTES:

- [illegible]

2 MAIN LEVEL FLOOR PLAN

BASEMENT LEVEL FLOOR PLAN

KITCHEN ELEVATION

WINDOW TYPES

WINDOW TYPES

RHET
ARCHITECTURE

RHET ARCHITECTURE, LLC
ATTN: RHEE PEARSON, AIA
1000 1ST AVENUE, SUITE 200
FARGO, ND 58102
PHONE: 701.715.6232
CELL: 701.380.0607
EMAIL: RHEE@RHETARCH.COM
WWW.RHETARCH.COM

I hereby certify that this plan, specification, and report were prepared by me or under my direct supervision and that I am a duly Licensed Architect in the State of North Dakota.

Signature: *[Signature]*
Date: 07/20/2017 REG NO. 4811

PROJECT:
**WILTON EARL
BEEBE REMODEL**
717 3rd AVENUE
FARGO, ND 58102

OWNER:
**CASS CLAY COMMUNITY
LAND TRUST**
100 12 BROADWAY N #203
FARGO, ND 58102
701.540.8028

REVISION AND DATE	07/20/2017
BY	RP
REVISION AND DATE	11/10/2017
BY	RP
REVISION AND DATE	02/20/2018
BY	RP
DATE OF SUBMISSION	02/20/2018
SCALE	AS SHOWN

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PROJECT NO.	20171103
DRAWN BY	RP
CHECKED BY	RP
DATE	07/20/2017

1ST FLOOR PLAN

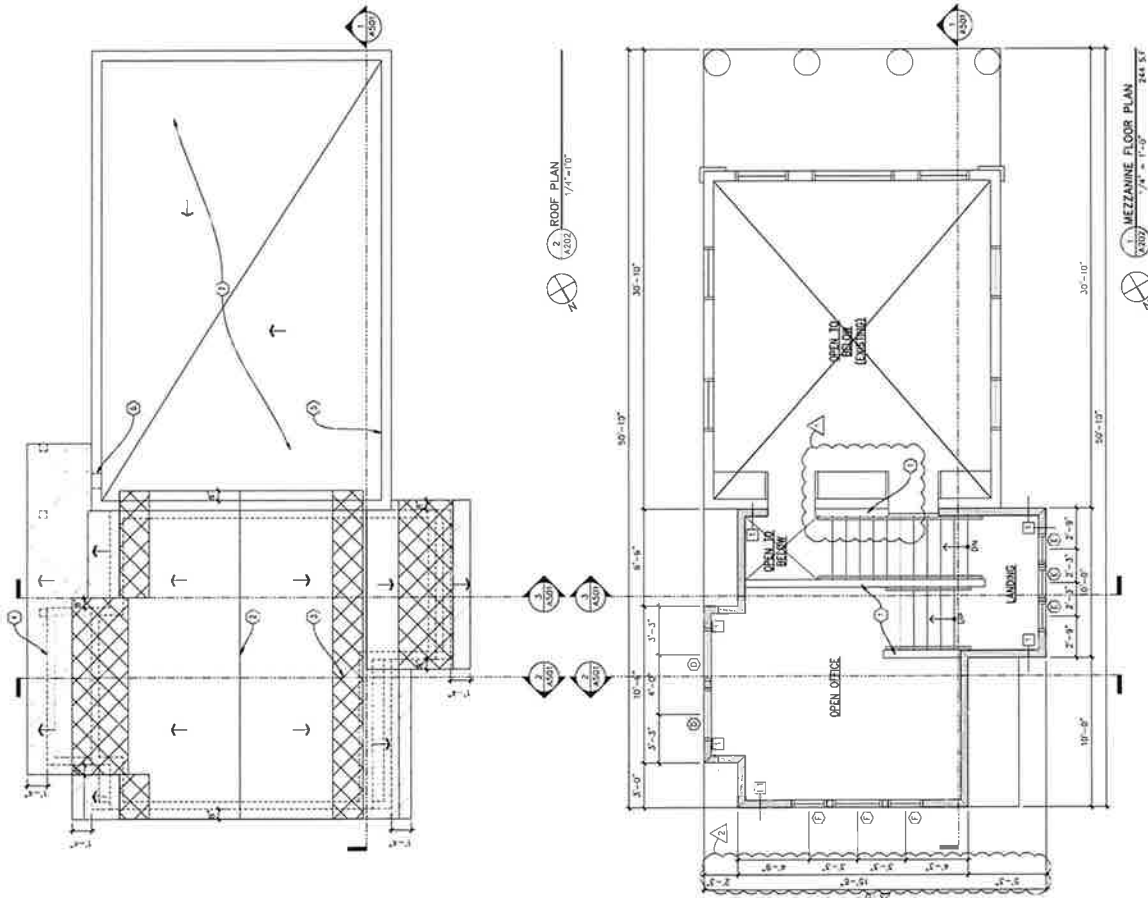
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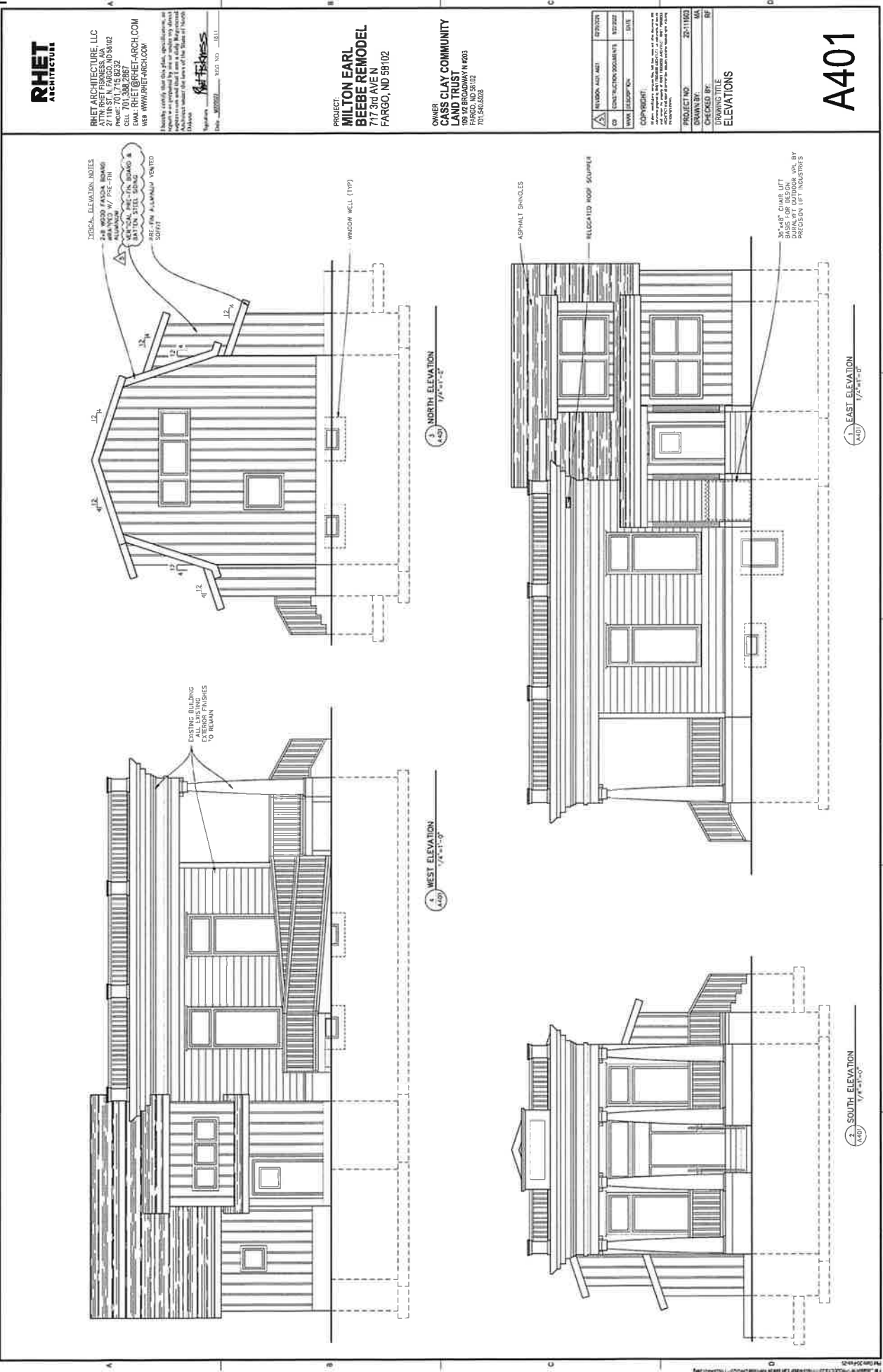
GENERAL PLAN NOTES:

1. ALL INTERIOR WALLS ARE 3 1/2" WOOD STUDS WITH 5/8" G.W.S. UNLESS OTHERWISE NOTED.
2. ALL INTERIOR DIMENSIONS TO OUTSIDE FINISH.
3. FOUNDATION: NOMINAL 10" CAST-IN PLACE CONCRETE FOUNDATION WALLS, 30"x10" STRIP FOOTING, 4" POLYSTYRENE INSULATION AT BASEMENT BEARING WALLS AND COLUMNS.
4. PROVIDE PERIMETER DRAIN TILE AT ALL FOUNDATION WALLS.
5. PROVIDE 2" EXTRUDED POLYSTYRENE INSULATION AT ALL INTERIOR WALL JOINTS. PROTECT INSULATION WITH RHEE FIN METAL JOINT STRIP. PROVIDE CONTINUOUS FLASHING OVER METAL JOINT AND DRAIN TILE.

PLAN NOTES:

1. HALF WALL @ 42" AFF.
2. SINGLED ROOF VENT
3. ICE AND WIND SHIELD
4. WALL BELOW
5. EXISTING ROOF PARAPET
6. RELOCATE EXISTING SCUPPER
7. EXISTING FLAT ROOF TO REMAIN





RHET
ARCHITECTURE

RHET ARCHITECTURE, LLC
ATTN: RHET FISHER, AIA
27110 ST. N. FARGO, ND 58102
PHONE: 701.560.8222
FAX: 701.560.8223
EMAIL: RHET@RHET-ARCH.COM
WEB: WWW.RHET-ARCH.COM

I hereby certify that the plans, specifications, and notes herein were prepared by me or under my direct supervision and that I am a duly Licensed Architect in the State of North Dakota.

Signature: *[Signature]*
Date: 10/20/2021
Arch. No. 1111

PROJECT:
MILTON EARL
BEEBE REMODEL
717 3rd Ave N
FARGO, ND 58102

OWNER:
CASS CLAY COMMUNITY
LAND TRUST
1000 1st Ave N
FARGO, ND 58102
701.560.8223

REVISION AND DATE	DESCRIPTION
01	CONSTRUCTION DOCUMENTS
02	FINAL ELEVATION
03	DATE
PROJECT NO. 22-1102	
DRAWN BY: MA	
CHECKED BY: RF	
DRAWING TITLE	
ELEVATIONS	

A401

RHET ARCHITECTURE, LLC
ATTN: RHET FISKNESS, AIA
27 1180 ST. N. FARGO, ND 58103
PHONE: 701.715.8232
CELL: 701.388.2887
EMAIL: RHET@RHET-ARCH.COM
WEB: WWW.RHET-ARCH.COM

being very costly that this plan, specifications, an expert was prepared by one of the other very decent experts in the area and that I am a duly recognized architect under the laws of the State of North Dakota.

Signature Pat Fickness Date 11/11

PROJECT:
MILTON EARL
BEEBE REMODEL
717 3rd AVE N
FARGO, ND 58102

OWNER:
CASS CLAY COMMUNITY
LAND TRUST
168 1/2 BROADWAY N #203
FARGO, ND 58102
701.540.8028

REVISION A201 A501 A501	05/23/2024
REVISION A201 A501 A501	03/17/2023
REVISION A201 A501 A501	12/27/2022
CONSTRUCTION DOCUMENTS	9/26/2022
DESCRIPTION	SALES

RIGHT:

Keywords: social support; coping; self-esteem; personality; depression

PROJECT NO.	22-111603
DRAWN BY:	MA

DESIGNED BY	RF
DRAWING TITLE	

BUILDING SECTIONS

10

10

100

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C
L
A

ASO

■ ● ● ■ ■

1000

A501

2 BUILDING SECTION
A501 SCALE: 1/4" = 1'-0"

3 BUILDING SECTION
A501 SCALE: 1/4"=1'-0"

1 BUILDING SECTION
ASO SCALE: 1/4" = 1'-0"











**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

MEMORANDUM

TO: City Commission
FROM: Nicole Crutchfield, Planning Director 
DATE: March 12, 2025
RE: Renaissance Zone Application for Lennon Lofts, LLC (371-F) for a project located at 214 & 220 6 Avenue North

The City received a Renaissance Zone (RZ) application from Lennon Lofts, LLC to Construct a new multi-family at 220 6 Avenue North. Pursuant to the application, the intent of the project is to demolish two blighted multi-family homes, one with fire damage, and construct a 3-story multi-family building with ground floor parking and 22 apartment units. Attached is a copy of the staff report, application and corresponding materials.

As indicated in the attached documentation, the project meets all state and local requirements for approval and is consistent with goals and objectives as established in the Fargo Renaissance Zone Development Plan. The application indicates an investment of approximately \$3,400,000 which is approximately \$151 per square foot and exceeds the minimum investment threshold as set forth in the plan.

The RZA recommended approval unanimously on February 26, 2025.

Recommended Action: Approve the Renaissance Zone application for Lennon Lofts, LLC and grant property tax exemptions and State income tax exemptions, allowed by the ND Renaissance Zone law contingent upon completion of the project and verification of costs.





**Renaissance Zone Staff Report for
Lennon Lofts, LLC (371-F)
214 & 220 6 Ave. North**

Project Evaluation:

The City of Fargo received a Renaissance Zone application from Lennon Lofts, LLC to construct a three-story, multi-family building at 220 6th Avenue North. Pursuant to the application, the intent of the project is to demolish two blighted multi-family homes, one with fire damage, and construct a three-story, multi-family building with ground floor parking (21 spaces) and 22 apartment units, including 16 one-bedroom/one bath units and six two bedroom/two bathroom units. Construction is anticipated to begin in 2025 with completion in 2026.

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

1. **Renaissance Zone Plan Goals:** Use consistent with the RZ Plan (as per Visions and Goals): As noted in the 2024 Renaissance Zone Development Plan.
 - a. *Grow as a Neighborhood:* Invest in housing to increase the population living Downtown and maintain Downtown's diversity.
The project will add 22 apartment units. The intent is to maximize density on a small, blighted parcel of land.
 - b. *Prosper as a Business Center:* Increase the number and types of jobs Downtown.
The apartment building will provide housing for individuals who work or shop in downtown Fargo.
 - c. *Thrive as a Destination:* Create a unique Downtown experience with an activated riverfront and vibrant sidewalks and public spaces that serve as the backdrop of the community's social life.
The application notes that this multi-family building will be one block from the Riverfront trail system, three blocks from Broadway, two blocks from City Hall, and four blocks from Sanford. This building will provide quick access to shopping, dining, recreation, and jobs.
 - d. *Be a model for Inclusive Growth and Development:* Protect Downtown's diversity and evolve as a model for equitable growth and development.
The application notes the project will provide apartment options for different size and price points (though they will be marketed to the mid-range renter). The project does not address diversity, public amenities or needs for specific populations.
 - e. *Complete our Streets:* Make complete streets common place and encourage trips by foot, bicycle, and bus, as well as car.
The project proposes 21 ground floor parking spaces for residents to park off-street. The application notes the apartment's proximity to downtown and large employers provides residents the option to walk to work, restaurants, and entertainment. Bus Route 11 is also within close proximity.
 - f. *Park Smart:* Manage parking resources to meet the needs of drivers, while also making room for new development and activity.
The apartment will provide 16 one-bedroom units and six two-bedroom units, for a total of 22 living units (28 bedrooms total). The project proposes 21 parking spaces, one of which is dedicated to

maintenance vehicles. The parking will occupy the ground level of the apartment complex; therefore, this project increases the density of parking as well as decreases the visual and economic impact from the existing surface parking lot.

- g. *Play with purpose:* Develop a system of connected all-season green spaces designed for people (of a range of ages and interests) and purpose (as infrastructure that absorbs stormwater).
This project does not provide designated recreational space, but the application notes its proximity to the Riverfront and local trail system.

(13/20 points)

2. **Investment Thresholds:** Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan?

According to the application, the structure accommodates 22,509 square feet, as follows:

- *Proposed Building Total:* approximately 22,509 square feet
- *Residential:* approximately 15,006 square feet (22 apartment units)
- **Parking:* approximately 7,503 square feet (21 parking garage spaces)

The application estimates a total capital investment of \$3,400,000, which calculates to approximately \$151.05 per square foot.

(10/10 points)

3. **High Priority Land Use:** The new construction or proposed improvements are representative of “High Priority Land Uses” as defined by this RZ Plan.

- a. Primary Sector Business, Industry, and Talent-Dependent Enterprises:
This project is residential only.
- b. Active Commercial, Specialty Retail or Destination Commercial:
This project is residential only.
- c. Mixed Use Development:
This project is not mixed-use.

(3/20 points)

4. **Targeted Areas:** Is the investment located in a “Targeted Area” as defined by this RZ Plan? Consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance.

- a. Parcels that have been vacant or underutilized for an extended period of time:
The subject property currently has two, unoccupied, blighted, multi-family residences; a duplex and a six-plex.
- b. Parcels specifically targeted for clearance:
The RZ Plan identifies Block 58 for redevelopment and infill with mixed-use and residential development.

(10/10 points)

5. **Urban Design:** Is the project representative of strong urban design principles?

The project includes strong urban design principles, including mixed textures, density, and proximity to amenities. The ground floor facade along 6th Avenue includes glazing and canopies that create a more walkable environment. The façades on the South and East sides of the property as do not have the same treatment to the façade, as they are less walkable.

Staff have concerns that some of the exterior building material consists of metal, and that the ground floor façade may not meet the transparency requirements. The project is located within the DMU, Downtown-Mixed Use zoning district and will have to meet the architectural intent and other requirements of that zoning district, so materials may change.

(9/10 points)

6. **Investment Analysis:** Consideration and analysis as to the total actual investment in the project.

As proposed, the redevelopment project and improvement costs exceed the \$100 per square foot requirement. As previously noted, the application represents a total estimated investment of \$3,400,000.

(10/10 points)

7. **Business Relocation:** Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community?

N/A

(0/0)

8. **Street Activation:** Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?

The project is architecturally designed and contains various textures and materials. Renaissance Zone projects are anticipated to be conscience of four-sided design and follow the DMU, Downtown Mixed-Use design standards outlined in the Land Development Code.

(8/10 points)

Summary:

This application received a score of 64 on a 90-point scale. The proposed new construction project surpasses the local capital improvement requirement of \$100 per square foot for new construction. The amount invested in the project exceeds state and local guidelines.

Staff is recommending approval to the Fargo City Commission and believes that this project will be a benefit to the downtown community and will positively contribute to the health of surrounding businesses and residents.

Suggested motion:

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

Criteria:		Staff Rating	Possible Points
1	Use consistent with the plan (as per Vision and Goals)	13	20
2	Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in the RZ Plan?	10	10
3	The new construction or proposed improvements are representative of "High Priority Land Uses" as defined in the RZ Plan: • Primary sector business, industry and talent-dependent Enterprises • Active Commercial, Specialty Retail and/or Destination Commercial • Mixed use development (combination of housing, commercial, and/or retail uses in a horizontal or vertical fashion)	3	20
4	The investment is located in a 'Target Area' as defined by the RZ Plan: • Parcels that have been vacant or underutilized for an extended period of time • Parcels specifically targeted for clearance	10	10
5	Is the project representative of strong urban design principles?	9	10
6	Consideration and analysis as to the total actual investment in the project: • Consideration can be given for the level of capital investment in a project. (i.e., additional consideration can be given for higher levels of investment)	10	10
7	Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community: • Commercial tenants that are re-locating within the Downtown Area (as defined by the 1996 Downtown Area Plan) are not eligible for tax incentives without special approval from the Zone Authority • Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the Zone Authority.	N/A	N/A
8	Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?	9	10
Total Rating (100 possible points)		64	90



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

220 6 Ave N

1:2,257

2/11/2025 10:13 AM

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

THE CITY OF
Fargo
FAR MORE



Planning & Development
 225 4th Street North
 Fargo, North Dakota 58102
 Office: 701.241.1474 | Fax: 701.241.1526
 Email: Planning@FargoND.gov
www.FargoND.gov

APPLICATION FOR RENAISSANCE ZONE PROJECT

Property owners, business owners, developers or investors interested in pursuing a Renaissance Zone project should review the 2019 RZ Plan. The RZ Plan delineates the current geographical boundaries of the program (only certain blocks within the downtown core are included) and provides additional detail on minimum investment requirements and applicable program goals and objectives that must be met.

Application submitted for (check all that apply):

- | | |
|---|---|
| ☒ New Construction | ☐ Commercial Lease |
| ☐ Purchase with Major Improvements | ☐ Rehabilitation: ☐ Commercial ☐ Residential |
| ☐ Primary Residential Purchase | ☐ Block Addition |

Property Owner Information	
Name (printed):	Lennon Lofts LLC
Name (printed):	
Address:	1630 1st Ave N Ste B PMB 7
	Fargo, ND 58102

Contact Person Information (if different than owner)	
Name (printed):	Andrew Hanson
Address:	1630 1st Ave N Ste B PMB 7
	Fargo, ND 58102

Parcel Information
Address: 214 & 220 6th Ave N, Fargo ND 58102
Unit Number: N/A
Renaissance Zone Block Number: 58
Legal Description (attach separate sheet if more space is needed):
Lot: 1 Block: 1 220 ADDITION LT 1 BLK 1 **6-2-21 REPLAT FRM 01-1540-02290-000 & 02300-000 PER PLAT DOC#1633340 FOR 2021
Parcel Number: 01-8777-00100-000

Is this property listed on or a contributing structure to the National Register of Historic Places? ☐ Yes ☒ No
 Do you intend to apply for a Historic Preservation Tax Credit in conjunction with this project? ☐ Yes ☒ No

Project Information	
Total Project Cost: (Qualified Capital Improvements) Estimated at \$3,400,000	
Current Use of Property: Blighted Six Plex and Blighted Duplex - both are vacant	
Anticipated Use Upon Completion: 22 unit multi-family building with 21 enclosed parking spaces	
Expected Date of Purchase: Q2 of 2025	Expected Date of Occupancy: 7/1/26
Estimated Property Tax Benefit: (Over five year exemption period) \$285,000	Estimated State Income Tax Benefit: N/A (Over five year exemption period)
Current Employees: N/A (Full-time equivalent)	Anticipated Employees: N/A (Full-time equivalent)

Scope of Work

Demolition of two blighted and vacant buildings on the subject site including a six plex which has fire damage and a duplex. According to the City of Fargo both properties are in excess of 120 years old. Once shovel ready in the spring of 2025 we will begin construction of a three story building which will include 21 ground level enclosed parking spaces and 22 apartment units with 11 units per floor (2nd and 3rd). The unit mix will include 16 one bed/one bath units and six two bed/two bath units. Construction is expected to take 9-12 months with a projected 6-9 month stabilization phase.

Additional Project Information

New Construction/Rehabilitation/Purchase with Improvements Only

Current Building Value: \$88,800 (Bld Value) (Taxable Improvement Value)	Estimated Building Value Upon Completion: \$3,150,000 (Taxable Improvement Value)
Building Area Upon 22,509 Completion (SF):	Number of Stories 3 Upon Completion:

Commercial Lease Only

Lease Area Upon Completion (SF): N/A			
Type of Business: N/A			
☐ New business moving to the Renaissance Zone	☐ Expanding Business moving to the Renaissance Zone	☐ Existing Business Expanding within the Renaissance Zone	☐ Continuation of a lease moving from one Renaissance Zone Project to another Renaissance Zone Project

Residential Purchase Only

Will this be your primary place of Residency?: No

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

Owner (Signature):

DocuSigned by:

Andrew Hanson

Date:

1/26/2025

Joint Owner (Signature):

932B19E27D444ED

Date:

Representative (Signature):

Date:

THE FOLLOWING CHECKLIST MUST BE COMPLETED AND SUBMITTED WITH THE APPLICATION FORM:

		Submitted	N/A
Renaissance Zone Project	Current photos of property, relevant to project scope and proposed renderings of the proposed project	☒	
	Certificate of Good Standing from the Office of the State Tax Commissioner	☐	Pending at ND Sec of State
	Business Incentive Agreement from the Department of Commerce for all non-residential projects	☐	☒
	For residential purchases provide proof of ownership and closing date	☐	☒
	Goals and objectives as outlined in the 2015 Fargo Renaissance Zone Development Plan (Attachment A)	☒	☐

APPLICATION DEADLINES:

The Renaissance Zone Authority regularly meets on the Fourth Wednesday of each month at 8:00 am in the in the City Commission Chambers at 225 4th Street North, Fargo, ND 58102. For consideration during a monthly meeting:

- **Renaissance Zone** applications are due by 4:30 pm on the **last weekday of each month**.

REQUIREMENTS, POLICIES, AND GUIDELINES:

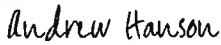
The Renaissance Zone is administered according to the following written documents, each of which are available on the City of Fargo's website.

- **Renaissance Zone Designation**
 - o City of Fargo Renaissance Zone Development Plan
 - o North Dakota Renaissance Zone Program Guidelines

CERTIFICATION:

Applicant certifies that, to the best of his/her knowledge and belief, the information contained in the application and attached hereto is true and correct. Applicant also certifies that he/she understands all written requirements, policies, and guidelines of the Fargo Renaissance Zone Authority, the City of Fargo, and/or the State of North Dakota governing the use of the procedure or program being applied for:

DocuSigned by:



Andrew Hanson

1/26/2025

(Applicant's Signature)

(Printed Name)

(Date)

If the property owner(s) and applicant are different, the property owner certifies that he/she has full knowledge of this application and consents to its submission:

(Applicant's Signature)

(Printed Name)

(Date)

(Applicant's Signature)

(Printed Name)

(Date)

Goals of the Fargo Renaissance Zone Plan

Is the proposed use of the project consistent with the RZ Plan? As noted in the Renaissance Zone Development Plan the desired land use will contribute to a number of goals:

1. *Grow as a Neighborhood.* How will this project invest in housing to increase the population living Downtown and maintain Downtown's diversity?

This project will create 22 new living units in downtown Fargo as the property is currently blighted and vacant. The units will be designed in a way to maximize density on a small parcel of land. The target market is a mid range renter that desires to work and live downtown, service industry, nurses, young professionals.

2. *Prosper as a Business Center.* How will this project increase the number and type of jobs Downtown (or accessible from Downtown)?

Create jobs during construction and provide housing for downtown employees.

3. *Thrive as a Destination.* How will this project create a unique Downtown experience with an activated riverfront and vibrant sidewalks and public spaces that serve as the backdrop to the community's social life?

This project is located one block from a riverfront/trail system access point, three blocks from Broadway, two blocks from City Hall and four blocks from Sanford which creates a walkable district for the tenants to work and recreation.

4. *Be a Model for Inclusive Growth and Development.* How will this project protect Downtown's diversity and evolve as a model for equitable growth and development?

Create a target market of mid range renter to supply housing for a labor market that desires to work and live in downtown Fargo.

5. *Complete our Streets.* How will this project make complete streets common place and encourage trips by foot, bicycle, and bus, as well as car?

Providing 21 enclosed parking spaces. The proximity to downtown and large employers allows for the option to walk to work, restaurants, retail or entertainment. The property is also near public transit.

6. *Park Smart.* How will this project manage parking resources to meet the needs of drivers, while also making room for new development and activity?

The property will have 21 enclosed parking spaces with 22 living units.

7. *Play with Purpose.* Will this project develop a system of connected all-season green spaces designed for people (of a range of ages and interests) and purpose (as infrastructure that absorbs stormwater)?

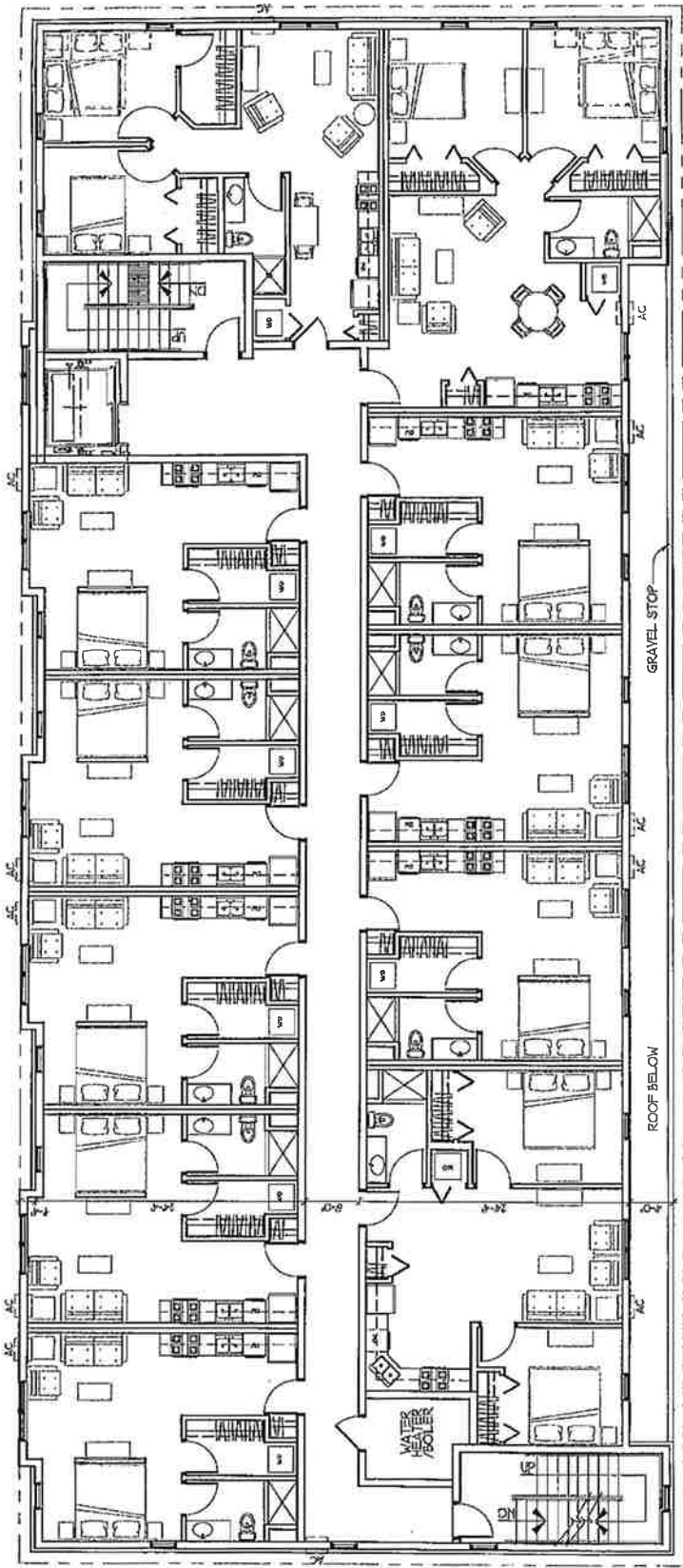
The project is planning to maximize density on the site being there is green space access one block from the site location via the riverfront and trail system.











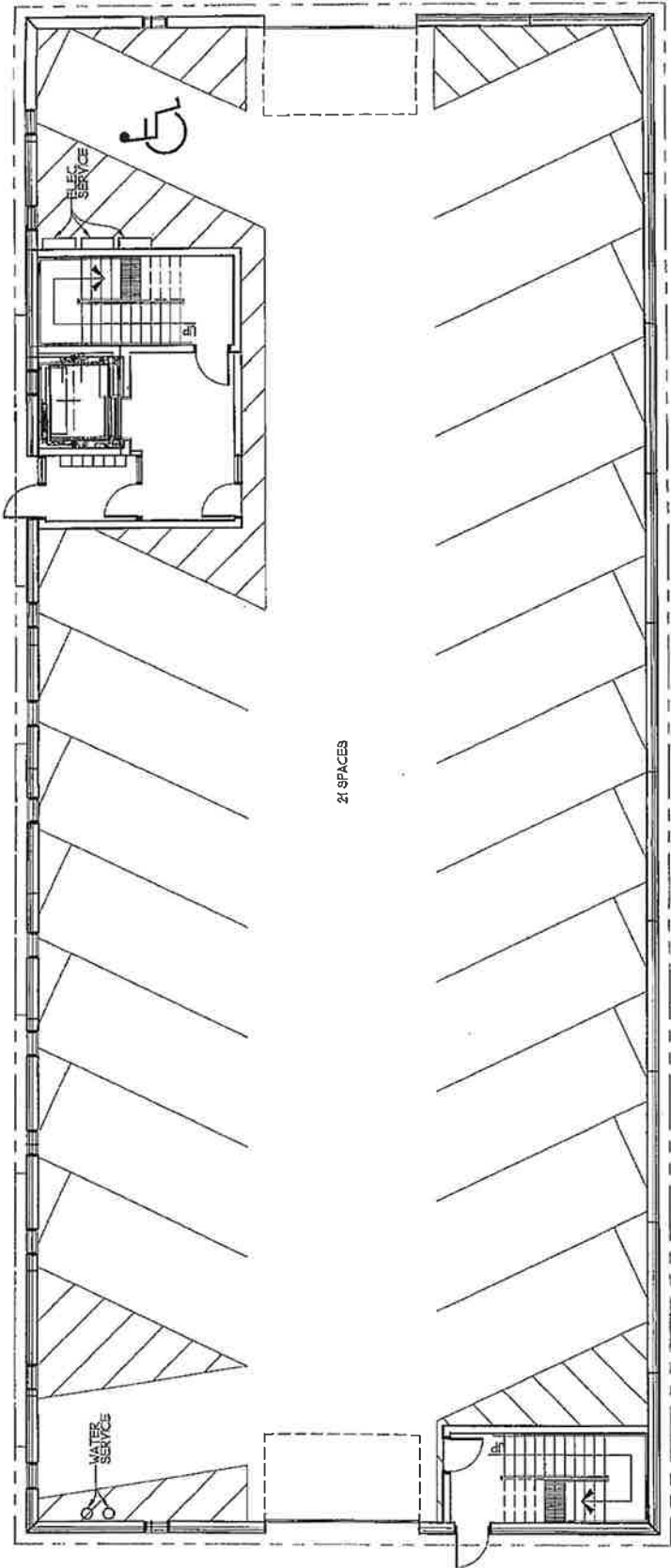
SECOND & THIRD FLOOR PLAN
P. 1000



M B A
MIDWEST BUILDING ASSOCIATION
1000 North Dearborn Street, Suite 200
Chicago, Illinois 60610
Phone: 312.321.1000 | Fax: 312.321.1001
www.mbausa.org

220 APARTMENTS
Fargo, North Dakota
September 2, 2024

A2



FIRST FLOOR PLAN
1" = 40'-0"

M B A
MIDWEST BUILDING & CONSTRUCTION, INC.
2014 1st Avenue, Suite 200, Fargo, ND 58102
Phone: (701) 781-1111 Fax: (701) 781-1111

Z Z O
APARTMENTS
Fargo, North Dakota

September 2, 2024

A1

(31)

MEMORANDUM

TO: Fargo City Commission

FROM: Jim Gilmour, Director of Strategic Planning and Research 

DATE: March 12, 2022

SUBJECT: Renewal Plan for a block in the Downtown

I drafted a Renewal Plan for the redevelopment of a site on the northeast edge of the downtown. The address is 220 6th Avenue North. The entire site is vacant and buildings are blighted. The project would demolish and cleanup of the two residential buildings.

The future land use plan for the downtown indicates housing for the block. The current zoning allow housing on the block.

The developer is requesting Tax Increment Financing (TIF) to demolish the buildings, clean up the site and land write down allowed by city policy. The new development will be a 22-unit apartment building with a value of over \$2.4 million. Following expiration of the exemptions, new property taxes are estimated to be up to \$42,000 a year. The length of the TIF exemption would be 5 years following the completion of a Renaissance Zone property tax exemption.

The Planning Commission indicated that the Renewal Plan is consistent with the GO2030 Comprehensive Plan.

The Economic Development Incentives Committee is recommending approval of the Renewal Plan and Developer Agreement.

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

Recommended Motion:

Approve the Resolution adopting the Renewal Plan and a Developer Agreement with Lennon Lofts, LLC to provide a TIF property tax exemption for the project.

Attachments

1. Resolution
2. Renewal Plan
3. Developer Agreement

RESOLUTION
BOARD OF CITY COMMISSIONERS OF THE
CITY OF FARGO

TAX INCREMENT FINANCING DISTRICT 2025-01

Commissioner _____ moved for approval of the following:

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

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

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

1. That one or more slum or blighted areas, or areas consisting of industrial or commercial property, or a combination of those areas of properties, exist in the City of Fargo.
2. That the development, rehabilitation, conservation or redevelopment, or a combination thereof, of the area contained within the Renewal Plan for Tax Increment Financing District No. 2025-01, is necessary in the interest of public health, safety, morals or welfare of the residents of the City of Fargo and will afford maximum opportunity, consistent with the sound needs of the city as a whole, for the rehabilitation or redevelopment of the development area by private enterprise.
3. That there are blighted areas within the area contained within the Renewal Plan with deteriorated conditions that discourage redevelopment. The Renewal Area, as defined in the Renewal Plan, is blighted due to the presence of these conditions have substantially impaired the growth of the City, and have slowed the provision of appropriate redevelopment in this area. As a result, the Board of City Commissioners finds that a blighted condition exists in the said area.
4. That the area designated as the Renewal Plan for Tax Increment Financing District No. 2025-01 is appropriate for a development project.
5. That such development, rehabilitation, conservation or redevelopment of the area contained in the Renewal Plan for Tax Increment Financing District No. 2025-01 requires the powers and authority granted in Chapter 40-58 NDCC.
6. That the Renewal Plan for Tax Increment Financing District No. 2025-01 is hereby officially adopted by the Board.

7. That a Developer Agreement be prepared in regard to the Tax Increment Financing.

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

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

RENEWAL PLAN
TAX INCREMENT FINANCING DISTRICT NO. 2025-01
CITY OF FARGO, NORTH DAKOTA
FEBRUARY 2025

RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2025-01

SUBSECTION 1.1.	DEFINITIONS.....	1
SUBSECTION 1.2.	STATUTORY AUTHORITY.....	1
SUBSECTION 1.3.	STATEMENT OF PUBLIC PURPOSE	2
SUBSECTION 1.4.	DESCRIPTION OF RENEWAL AREA	3
SUBSECTION 1.5.	LAND ACQUISITION, DEVELOPMENT, DEMOLITION AND REMOVAL OF STRUCTURES, REDEVELOPMENT, OR IMPROVEMENTS.....	3
SUBSECTION 1.6.	LAND USE ATTRIBUTES – TIF DISTRICT	3
SUBSECTION 1.7.	ESTIMATE OF DEVELOPMENT COSTS	4
SUBSECTION 1.8.	ESTIMATE OF BONDED INDEBTEDNESS.....	4
SUBSECTION 1.9.	TAX INCREMENT FINANCING.....	4
SUBSECTION 1.10.	ESTIMATE OF TAX INCREMENT.....	5
SUBSECTION 1.11.	DURATION OF THE TIF DISTRICT.....	5
APPENDIX A:	LEGAL DESCRIPTION OF PROPERTY	
APPENDIX B:	MAP OF THE RENEWAL AREA/TIF DISTRICT	
APPENDIX C:	PLAN FOR REDEVELOPMENT	
APPENDIX D:	PHOTOS OF EXISTING CONDITIONS	

RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2025-01

Subsection 1.1. Definitions.

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

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

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

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

"County" means Cass County, North Dakota.

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

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

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

"State" means the State of North Dakota.

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

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

"Tax Increment Financing District" or "TIF District" means Tax Increment Financing District No. 2025-01.

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

Subsection 1.2. Statutory Authority.

The creation of the Renewal Area and the establishment of Tax Increment Financing District No. 2025-01 are authorized by the Urban Renewal Law. Specifically the creation of the Renewal Area is authorized under North Dakota Century Code, Sections 40-58-01.1(7) and (14), which provide that the local governing body may designate industrial or commercial property, a slum or

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

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

Subsection 1.3. Statement of Public Purpose

In adopting the Renewal Plan for TIF District No. 2025-01, the City Commission intends to make the following findings:

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

Factual basis: This Renewal Area is blighted due to the presence of a vacant and blighted buildings. There was a fire in an apartment building, with visible burned out windows on the upper floor. This substantially impairs the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use. Photos are include in Appendix D.

- (b) The Renewal Area contains one small apartment building and a duplex with blighted conditions.

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

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

Factual basis: The renewal area is zoned DMU, Downtown Mixed Use, that allows for multi-family housing.

- (d) The 6-unit apartment building and duplex are vacant.

Factual basis: There is no occupied housing on the site because of the poor condition of the buildings. The project will not displace anyone. The redevelopment will be new housing units.

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

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

The plan is consistent with the future land use map of the Downtown Plan. The land use plan identified this block as residential. The proposed development will use existing infrastructure.

Subsection 1.4. Description of Renewal Area

The Renewal Area is one lot at 220 6th Avenue North on the northeast edge of the downtown. The site is 8,400 square feet. It is legally described in Appendix A. A map of the Renewal Area is attached as Appendix B.

The proposed project will be an apartment building with 22 housing units.

The redevelopment plan is attached as Appendix C.

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

The Development of the Renewal Area includes the following activities:

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

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

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

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

Subsection 1.6. Land Use Attributes – TIF District

- (a) *Zoning or Planning Changes.*
The Renewal area is zoned DMU, Downtown Mixed Use. No zoning changes are required for this project.
- (b) *Maximum Densities.*
The property within the TIF District will be developed in accordance with the applicable zoning district requirements.
- (c) *Building Requirements.*
All properties within this district are subject to the provisions of the City of Fargo Building Codes and the Land Development Code.
- (d) *Plan relationship to land use objectives (land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public imps.)*

The project complies with the zoning district and the redevelopment goals of the Go2030 Comprehensive Plan, the Growth Plan and the Downtown Plan.

Subsection 1.7. Estimate of Development Costs

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

Land Costs	\$229,100
Demolition and Site Cleanup	\$150,000
Public Infrastructure	\$85,000
Administration	\$23,205
TOTAL	\$487,305

These costs represent estimated costs for planning purposes, and may be different when this plan is implemented with a development agreement. The development agreement costs will be determined after a review by City financial advisers. The maximum allowed costs will be specified in the development agreement. Based on the proposed development, the present value of TIF savings is \$347,381 over 10 years.

This City is planning to offer a TIF exemption for this project.

Subsection 1.8. Estimate of Bonded Indebtedness

The City intends to finance certain costs of the Development through the issuance of a Tax Increment Financing property tax exemption to the Developer. Pursuant to North Dakota Century Code, Section 40-58-20 (11), and the City may, "As an alternative to the sale of bonds to the amortized with tax increments as provided in this section, the governing body of a municipality may, in its discretion, grant a total or partial tax exemption for the project in order to provide assistance to a project developer in a development or renewal area, pursuant to agreement with the municipality."

Subsection 1.9. Tax Increment Financing

The original assessed value of the property within the Renewal Area, as last assessed and equalized before the base year of this Plan, is \$159,700.

Subsection 1.10. Estimate of Tax Increment.

It is anticipated the Development will result in an increase in true and full value of the Renewal Area redevelopment site to \$2.5 million. The increase in value will be approximately \$2.35 million. Under the mill rate in effect as of the date of this Plan, the developers benefit will be \$32,000 a year.

Subsection 1.11. Duration of the TIF District.

The TIF exemption will for a five-year period that will follow the end of a five-year Renaissance Zone Exemption.

APPENDIX A
LEGAL DESCRIPTION OF PROPERTY



Parcel Information Report

Parcel Number: 01-8777-00100-000

General Information

Segment Id: 1
 Owner 1: MBA INVESTMENTS LLC
 Owner 2:
 Property Address: 220 6 AVE N
 Mailing Address: 505 BROADWAY N STE 201 FARGO, ND 58102
 Addition Name: 220
 Block: 1
 Lot: 1

Additional Description:

*5/27/2021 SPL/FR 01-1540-00290-000 & 01-1540-0230-000 VIA NEW ADDITION PLAT #1633340 SPL #2021-053

Estimated Flood Stage Levels For River Flooding:

If your property is outside the city limits or your property and structure are not affected by a 25 to 44 foot flood stage data will be not available (N/A).

Property may be affected by an approximate flood stage of 42 or higher.

Structure may be affected by an approximate flood stage of 42 or higher.

Please note that this approximation does not take into account any local issues such as ice and debris jams or localized flooding from intense rainfall events.

District Information

Cass School District: 1
 Elem. School District: HoraceMann

Property Valuation

	Land	Improvements	Total
Current Appraised Value:	\$55,000.00	\$64,000.00	\$119,000.00

Building Information

Year Built:	1893	No. of Apartment Units:	6
Total Building SqFt:	4200	Residential Story Height:	()

Lot Size

Front Width:	140.00	Land Use:	P (Apartment)
Back Width:	140.00	Property Type:	10 (Apartment)
Depth Side 1:	60.00		
Depth Side 2:	60.00	Square Footage:	8400.00

DISCLAIMER: The City of Fargo provides property information to the public "as is" without warranty of any kind, expressed or implied. Assessed values are subject to change by the City of Fargo. In no event will the City of Fargo be liable to anyone for damages arising from the use of the property data. You assume responsibility for the selection of data to achieve your intended results, and for the installation and use of the results obtained from the property data.

Assessment records are for the sole purpose of identifying the land being taxed. In some cases to attain efficiency, Assessment Department legal descriptions may be shortened yet will retain sufficient information to identify the land. Since tax statements and records are not deeds and may contain abbreviated descriptions, they should not be used as a basis for a survey or a legal document and should not be used by surveyors or others as the primary source of a property description.



Parcel Information Report

Parcel Number: 01-8777-00100-000

General Information

Segment Id: 2
 Owner 1: MBA INVESTMENTS LLC
 Owner 2:
 Property Address: 214 6 AVE N
 Mailing Address: 505 BROADWAY N STE 201 FARGO, ND 58102
 Addition Name: 220
 Block: 1
 Lot: 1

Additional Description:

*5/27/2021 SPL/FR 01-1540-00290-000 & 01-1540-0230-000 VIA NEW ADDITION PLAT #1633340 SPL #2021-053

Estimated Flood Stage Levels For River Flooding:

If your property is outside the city limits or your property and structure are not affected by a 25 to 44 foot flood stage data will be not available (N/A).

Property may be affected by an approximate flood stage of 42 or higher.

Structure may be affected by an approximate flood stage of 42 or higher.

Please note that this approximation does not take into account any local issues such as ice and debris jams or localized flooding from intense rainfall events.

District Information

Cass School District: 1
 Elem. School District: HoraceMann

Property Valuation

	Land	Improvements	Total
Current Appraised Value:	\$15,900.00	\$24,800.00	\$40,700.00

Building Information

Year Built:	1904	No. of Apartment Units:	
Total Building SqFt:	1452	Residential Story Height:	7 (2 Story)

Lot Size

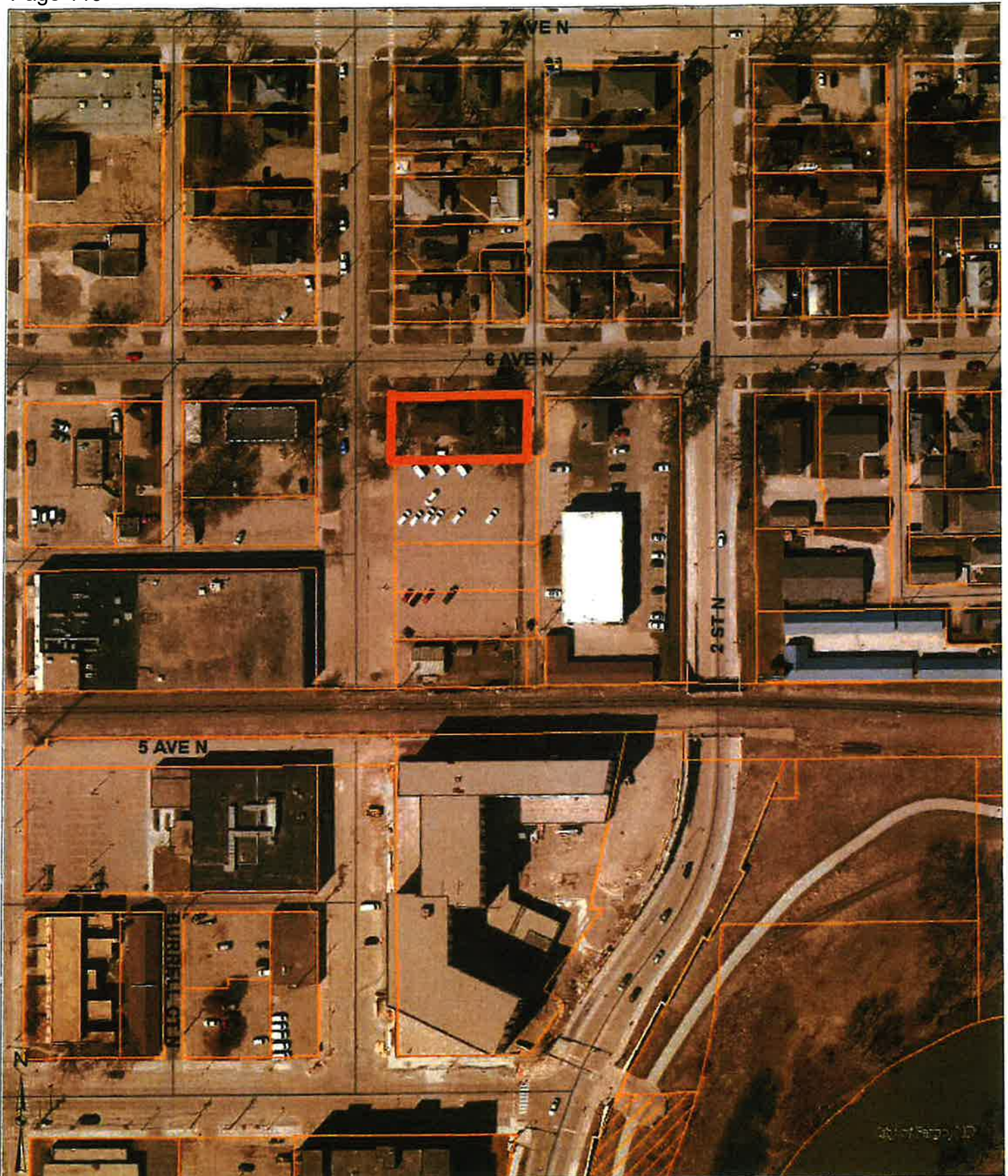
Front Width:	Land Use:	R (Residential)
Back Width:	Property Type:	2 (Duplex)
Depth Side 1:		
Depth Side 2:	Square Footage:	

DISCLAIMER: The City of Fargo provides property information to the public "as is" without warranty of any kind, expressed or implied. Assessed values are subject to change by the City of Fargo. In no event will the City of Fargo be liable to anyone for damages arising from the use of the property data. You assume responsibility for the selection of data to achieve your intended results, and for the installation and use of the results obtained from the property data.

Assessment records are for the sole purpose of identifying the land being taxed. In some cases to attain efficiency, Assessment Department legal descriptions may be shortened yet will retain sufficient information to identify the land. Since tax statements and records are not deeds and may contain abbreviated descriptions, they should not be used as a basis for a survey or a legal document and should not be used by surveyors or others as the primary source of a property description.

APPENDIX B

MAP OF THE RENEWAL AREA/TIF DISTRICT



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

Renewal Area 2025-01

1:2,257

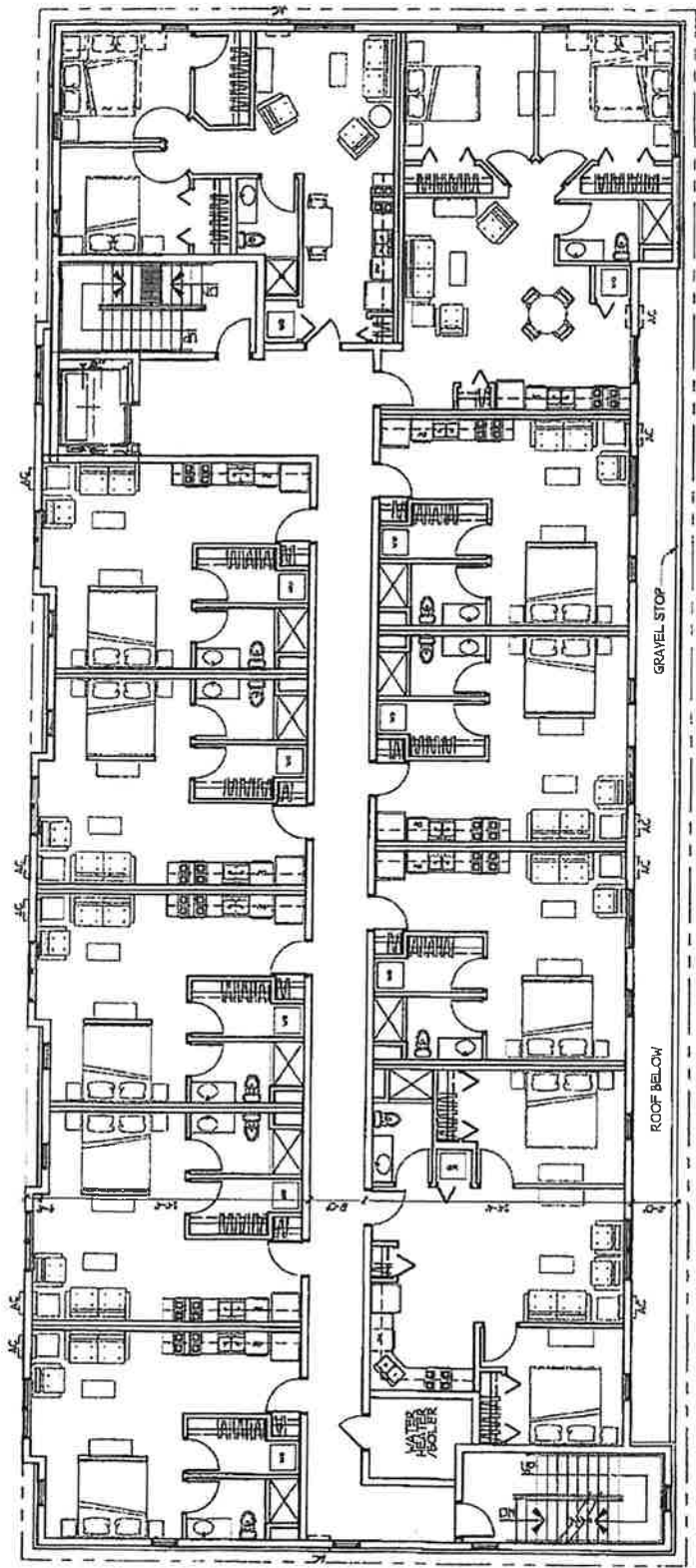
2/25/2025 2:59 PM

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

THE CITY OF
Fargo
FAR MORE

APPENDIX C
PLAN FOR REDEVELOPMENT



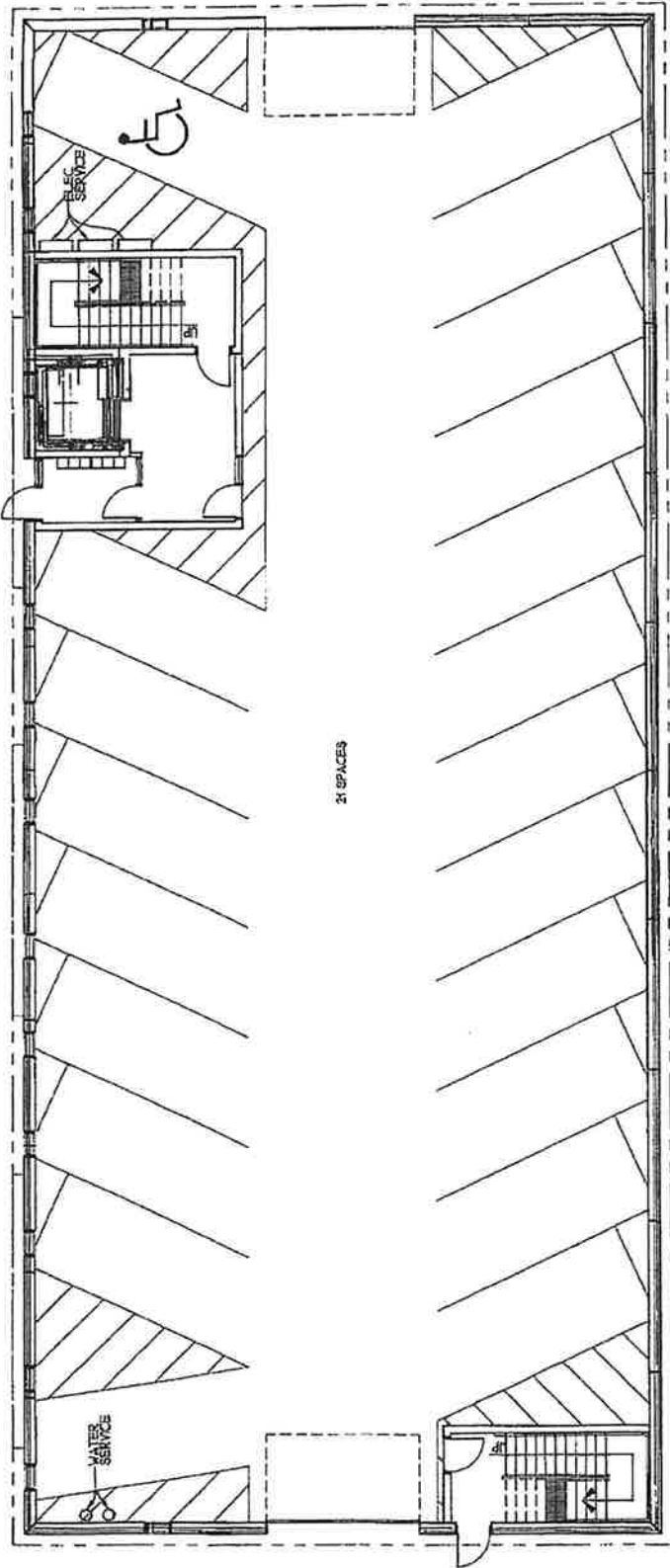


SECOND & THIRD FLOOR PLAN

MBA
MONTREAL APARTMENTS
1000 Avenue du Parc
Montreal, Quebec H3A 2W4

220
APARTMENTS
Ferguson, North Dakota
September 1, 2016

A2



FIRST FLOOR PLAN

MBA
10100 N. 10th Ave., Suite 100
Phoenix, AZ 85020
Phone: 602.998.1111
Fax: 602.998.1112

220
APARTMENTS
Fazal, Noha, Dabara

September 2, 2004

A1

APPENDIX D
PHOTOS OF EXISTING CONDITIONS

214 and 220 6th Avenue North

photos February 14th, 2025



Facing southwesterly
across 6th Avenue North
at 214 (house) and 220
(apartment building)



Facing southerly
across 6th Avenue
North at 214.
Alley on the left
(east) provides
access rear of
property.



Facing southeasterly across 6th Avenue North at 220 (apartment building) and 214 (house)



Facing southerly at 220. Note boarded-up window on third floor right.



Facing easterly
at 220 from
3rd Street North.



Close-up of third floor
of 220 showing
boarded-up
windows as a result
of fire damage.

DEVELOPER AGREEMENT

By and Between

CITY OF FARGO, NORTH DAKOTA

a North Dakota Municipal Corporation

and

Lennon Lofts, LLC

TABLE OF CONTENTS
(Included for Convenience of Reference Only)

Table of Contents

ARTICLE I Definitions..... 1

ARTICLE II Representations, Warranties and Covenants 4

ARTICLE III Completion of Minimum Improvements; Future Requests for Public Assistance; TIF Tax Exemption to Offset Certain Costs 7

ARTICLE IV Completion Of Minimum Improvements 13

ARTICLE V Insurance And Condemnation 15

ARTICLE VI Reserved 16

ARTICLE VII Mortgage Financing 17

ARTICLE VIII Prohibitions Against Assignment And Transfer; Indemnification 19

ARTICLE IX Events of Default..... 21

ARTICLE X Additional Provisions 24

ARTICLE XI Termination of Agreement; Expiration 26

Exhibit A – Legal description

Exhibit B – Form of Certificate of Completion

DEVELOPER AGREEMENT
[TIF Exemption Project]
City of Fargo - Lennon Lofts, LLC

THIS AGREEMENT, dated as of the ___ day of _____, 20__ ("Effective Date"), is by and between the City of Fargo, a North Dakota municipal corporation, and Lennon Lofts, LLC, a North Dakota limited liability company; and provides as follows:

ARTICLE I

Definitions

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

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

"Certificate of Completion" means a certification in the form of the certificate attached hereto as Exhibit B and hereby made a part of this Agreement, provided to the Developer pursuant to Section 3.3 of this Agreement.

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

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

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

"Capitalized Interest" means the portion of the principal amount of the TIF Eligible Expenses that represents the sum of the products of the various eligible expenses initially borne by Developer and the City that will be multiplied by an interest rate of Five and no/100ths Percent (5.00%) per annum, simple interest, multiplied by the number of years, or fraction thereof, between the later of the Effective Date or the date such expense was incurred and the date of the Certificate of Completion or, if earlier, February 1st of an earlier first (1st) Tax Year if one is specified as provided in Section 3.3(i) (regarding the Designation of Specified First Tax Year).

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

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

"Development Plan" means the development or renewal plan for the Development Property approved by the City on March 17, 2025, including all exhibits thereto, as the same may be amended from time to time.

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

"Effective Date" means the date and year first above written or, if said date and year is not completed, the Effective Date means the date and year that this Agreement is last signed by one of the Parties.

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

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

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

"Minimum Improvements" means the improvements or other project work that is contemplated by and in accordance with this Agreement and described in Section 4.1.

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

"ND TIF Exemption Law" means the Urban Renewal Law pertaining to the use of a property tax exemption including, in particular, N.D.C.C. §40-58-20(11).

"Party" means either the Developer or City.

"Parties" means the Developer and the City.

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

“Tax Year” is one of a maximum of five (5) successive calendar years pursuant to this Agreement, with the first Tax Year being the year as provided in Article III of this Agreement and with the subsequent years being the four (4) subsequent calendar years. The fifteenth (5th) Tax Year, therefore, is the fourth (4th) calendar year following the first said year.

“TIF Eligible Expenses” are Development Costs incurred, City Administrative Costs; and interest accumulated that are eligible to be paid or reimbursed or, as an alternative, may be offset by a property tax exemption pursuant to Urban Renewal Law.

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

“TIF District” means the area identified as the “District” under the City's Development Plan approved by the Board of City Commissioners of the City of Fargo on March 17, 2025, as the same may be amended.

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

ARTICLE II

Representations, Warranties and Covenants

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

- (a) The City has received the approval of its Board of City Commissioners to enter into and perform its obligations under this Agreement.
- (b) The City herein makes no representation or warranty, either express or implied, as to the Development Property or its condition or the soil conditions thereon or that the Development Property shall be suitable for the Developer's purposes or needs.

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

- (a) The Developer is a limited liability company duly organized and in good standing under the laws of the State of North Dakota, is not in violation of any provisions of its operating agreement or articles of organization or the laws of the State of North Dakota and is authorized to enter into and perform its obligations under this Agreement.
- (b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented or limited by and will not conflict with or result in a breach of any provision or requirement applicable to the Developer or of any provision of any evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound.
- (c) The Developer, with respect to its undertaking of the Minimum Improvements upon the Development Property, will cause the same to occur in accordance in all material respects with this Agreement and all local, state and federal laws and regulations (including without limitation environmental, zoning, building code and public health laws and regulations and including any relocation requirements under local, state or federal law).
- (d) The Developer has received no notice or communication from any local, state or federal official or body that any activities of the Developer respecting the Development Property contemplated by this Agreement, including the undertaking of the Minimum Improvements on the Development Property, may be or will be in violation of any law or regulation.
- (e) The Developer will use its reasonable efforts to obtain, in a timely manner, all required permits, licenses and approvals, and to meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully completed.
- (f) To the best knowledge and belief of the Developer, the undertaking of the Minimum Improvements on the Development Property at this this point in time, said point in time

occurring prior to Developer being ready to fully develop the Development Property, is conditioned on the assistance and benefit to the Developer provided for in this Agreement. The Developer would not undertake the Project at this point in time without the financing provided by the City pursuant to this Agreement.

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

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

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

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

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

(l) The Developer will spend enough in undertaking of the Project, when combined with the value of the Development Property, to generate an estimated minimum market value of \$2,400,000.

(m) The Developer expects that, barring Unavoidable Delays, the Project will be substantially completed by December 31, 2026.

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

(o) As of the Effective Date, the Developer has marketable record title to Developer's Property free and clear of any encumbrances or lienholders except as provided in Article VII of this Agreement or, to the extent Developer does not have marketable record title, Developer has obtained from the person, firm or entity having such title an agreement [hereinafter referred to as

an "Agency Agreement"] authorizing Developer to develop Developer's Property as contemplated by this agreement and authorizing Developer to enter into this Agreement, said Agency Agreement to be in a form approved by the City.

ARTICLE III

Completion of Minimum Improvements; Future Requests for Public Assistance; TIF Tax Exemption to Offset Certain Costs

Section 3.1. **Completion of Minimum Improvements by Developer.** The Developer agrees that it will cause the Minimum Improvements on the Development Property to be completed. Subject to Unavoidable Delays, as addressed in Section 4.2, below, the Developer shall have substantially completed the Minimum Improvements for the Project by December 31, 2026. The Developer's use of the Development Property shall be subject to (a) all of the conditions, covenants, restrictions and limitations imposed by this Agreement and also to (b) building and zoning laws and ordinances and all other local, state and federal laws and regulations.

Section 3.2. **Future Requests for Public Assistance.** Developer may apply for additional public assistance for the Project development in the form of Renaissance Zone exemptions, with applications for such additional public assistance to be considered by the City according to the approval process and the decision-making criteria for those programs in effect at that time; provided further, that in order for the Development Property to be eligible for such additional public assistance, the application therefor must be made and submitted to the City prior to the Effective Date.

Section 3.3. **Whole or Partial Tax Exemption Granted by City to Offset Certain Eligible Costs.** The Developer has and/or will incur and pay significant Development Costs a portion of which costs are expected to qualify as TIF Eligible Expenses. The total sum of TIF Eligible Expenses which, including Capitalized Interest thereon, will be used to determine the amount and term of years of a TIF Tax Exemption to be granted for the Developer Property. In this manner, the City hereby agrees to permit the offset of a portion of such costs up to \$365,000 utilizing the tax exemption authorized by the N.D. TIF Exemption Law. The TIF Eligible Expenses that are authorized by this Agreement are comprised of six components:

First Component--Cost of Acquisition or Market Value: The sum of \$220,000 said amount constituting the cost of acquisition or the market value of the buildings existing on the Development Property as of the Effective Date as determined by the City Assessor and agreed-upon by Developer;

Second Component--Demolition and Site Cleaning, Soil Correction and Remediation of Grading: The sum of \$95,000, which is the estimated cost, determined by the Developer and approved by the City, to demolish the said existing buildings and other improvements on the Development Property;

Third Component-- Removal of substandard soils, rubble and site clearing; and, asbestos remediation; filling and grading of the site: \$30,000

Fourth Component--Advance Administrative TIF Fees: As an advance fee for the administration of this tax increment program project, the sum of \$20,000 to be borne by the Developer and paid to the City.

Fifth Component—Capitalized Interest: Certain interest on TIF Eligible Expenses as described and calculated herein to become Capitalized Interest.

The advance administrative TIF fee, set forth above, will be paid by Developer, and will be due and payable by Developer to the City on or before the Effective Date.

If there is a category of expense that is deemed ineligible under the Urban Renewal Law, but there are additional eligible expenses not otherwise reimbursed under this Agreement, then such otherwise non-reimbursed, but eligible, expenses may be recognized as an eligible expense under this Agreement.

The amount of TIF Eligible Expenses to be recognized as the basis for the City's grant of the TIF Tax Exemption will be calculated along with the resulting term of years of tax exemption to be granted and the portion or percentage of full tax exemption applied throughout said term of years shall be determined as follows:

(a) Subject to the conditions of this Agreement, the City intends to provide public assistance to Developer for the project by the grant of total or partial tax exemption as set forth herein, as a means by which the Developer may recoup TIF Eligible Expenses. N.D.C.C. §40-58-20 subs. 11. With respect to the award or grant by a City of a tax exemption, as set forth in this Agreement, the calculation of a full or partial tax exemption value is determined by and limited to the calculated "tax increment" as defined in Urban Renewal Law. Id. Accordingly, at such time as the parties have entered into this Agreement, the Development Plan and TIF District shall have previously been approved by the City thereby establishing the authority of the City to request the Cass County Auditor and Treasurer to compute and certify tax increments resulting from the TIF District and the County Auditor will compute and certify the original taxable value of each lot and parcel of real estate in the TIF District, "as last assesses and equalized" before the date of the request, thus establishing the "base" from which tax increment may then be calculated. N.D.C.C. §40-58-20 subs. 1, 2. Thereafter, in accordance with the statute, in each subsequent year the County Auditor undertakes a process to extend the aggregate property tax mill rate against both the "base" value and the said calculated tax increment, to offset tax increment proceeds by any lost values that occur and then to remit the net tax increment to the City having established the Development Plan and TIF District. Id. at subs. 3-7. Therefore, the total or partial tax exemption described in this Agreement is limited to, and based upon, said tax increment. Id. at subs. 11.

(b) When the Developer has substantially completed the Minimum Improvements in a timely manner, the Developer will be responsible for submitting to the City a compilation of Development Costs which Developer will represent as being TIF Eligible Expenses fitting within the several components identified in this Section, above, said costs to be categorized according to said individual components along with receipts and other evidence of such costs. Demonstration of said costs shall be made pursuant to one or more certifications in form and substance

satisfactory to the City that all or a portion of the costs of the Minimum Improvements have been incurred, together with evidence satisfactory to the City of the nature and amount of the costs of the Minimum Improvements and of the costs incurred by the Developer. Each certification shall demonstrate the specific purpose and amount of the costs of the Minimum Improvements and their compliance with the representation set forth at Section 2.2(g). The City's determination of a cost's compliance with the representation set forth at Section 2.2(g) shall, if based on the advice of its city attorney after consultation with the Developer or its counsel, be conclusive.

(c) TIF Tax Exemption—Direction to County, Term of Years, Portion of Exemption. If the conditions set forth in this Section are met, the Certificate of Completion shall be ready to be issued and delivered by the City in a form substantially similar to Exhibit B when the Developer has thus demonstrated in writing to the reasonable satisfaction of the City that the Developer has incurred and paid eligible expenses in the amounts and categories as provided in this Section, such costs being expended in furtherance of construction of the Minimum Improvements to be borne by Developer, and which expenses will not be otherwise reimbursed or paid. Further, once the Certificate of Completion has been issued and delivered by the City, the City, upon written request by the Developer, will issue written communication to the County Finance Office requesting and directing that a tax increment financing exemption authorized by N.D.C.C. Section 40-58-20(11) is to be applied against the Development Property over a term of five (5) years, with the first year of said exemption to be the First Tax Year, and with said exemption to continue thereafter from year-to-year for another four (4) Tax Years after which the TIF Tax Exemption will therefore expire. The said TIF Tax Exemption to be applied for the term of years and percentage as follows:

(1) Tax Years One (1) through Five (5)-- 100% tax exemption.

To the extent the sum of the Developer's submitted TIF Eligible Expenses that have been approved and verified by the City totals not less than Three Hundred Thousand and no/100ths Dollars (\$300,000), then the schedule of tax exemption applicable over the term of years shall be modified to the schedule described in subsection (j), below.

(d) The Certificate of Completion shall be delivered only if no Event of Default shall have occurred and be at the time continuing.

(e) If the City shall refuse or fail to provide a Certificate of Completion for the Project in accordance with the provisions of this Section 3.3, the City shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement indicating in adequate detail in what respects the Developer has failed to complete the Project in accordance with the provisions of this Agreement, or is otherwise in default under the terms of this Agreement, and what measures or acts it will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such Certificate of Completion.

(f) Subject to an approved adjustment in accordance with subsection (i) of this Section 3.3, the tax exemption will commence after the issuance of the Certificate of Completion, the first Tax Year of the TIF Tax Exemption being the calendar year within which the next February 1st that is subsequent to the date of issuance of the Certificate of Completion. By way of example,

therefore, if the Certificate of Completion is issued on December 15th of 2026, the first Tax Year will be the year 2027, the property taxes for which become payable in 2028, said year 2027 being the calendar year within which “the next February 1st falls that is subsequent to said December 15, 2026. In the same manner, if the Certificate of Completion were, for example, issued on January 15, 2027, the first Tax Year would still be the year 2027 because February 1, 2027, is subsequent to the January 15, 2027, date of issuance of the Certificate of Completion. As a result, the valuation of the Development Property as of said February 1st, as determined by the City Assessor, shall therefore be used to quantify the value of the TIF Tax Exemption, or portion thereof, being applied as provided in this Agreement.

(g) Developer may apply for additional public assistance in the form of Renaissance Zone assistance. Such application will be considered by the City in accordance with the criteria for such program. If Developer succeeds with such application, then the TIF Tax Exemption can be coordinated or scheduled (i.e. by appropriately identifying the “first (1st) Tax Year”) to follow such other public assistance program. For example, if the project also qualifies for a Renaissance Zone exemption for five years, the first Tax Year for the application of the TIF Tax Exemption may be scheduled to follow the five-year exemption so the two programs complement each other.

(h) The Developer specifically recognizes and agrees that if the Developer obtains other public assistance in the form of a five-year Renaissance Exemption from property taxes for the Project, such five-year exemption will not commence until sometime after completion of construction of the Project and, therefore the first Tax Year of a TIF Tax Exemption will not commence until after the expiration of the Renaissance Zone tax exemption and, therefore, it may be necessary or appropriate for the City Assessor to refrain from making any written request to the County Finance Office requesting and directing that the TIF Tax Exemption to be applied for a particular Tax Year until the Renaissance Zone property tax exemption is nearing its conclusion. Therefore, Developer will be responsible for submitting a timely written request to the City Assessor requesting the Assessor to remit the written correspondence to the County Finance Office requesting and directing that said TIF Tax Exemption, having been authorized by N.D.C.C. Section 40-58-20(11), is to be applied against the Development Property as is referenced in subsection (c) of this Section 3.3, said Developer request to the City Assessor to include the name of the original Developer of this Agreement, the effective date of this Agreement, the legal description of the Development Property, and enclosing a complete copy of this Agreement so that the City Assessor has sufficient information at hand to make the Assessor’s written request to the County Finance Office.

(i) Designation of Specified First Tax Year. The Developer shall be authorized to request the City to approve the issuance of the TIF Tax Exemption prior to substantial completion of the Minimum Improvements, to therefore be applicable to a specified first Tax Year instead of the first Tax Year as is otherwise determined under this Agreement, by the following method:

- (1) The Developer submits a written request to the City at least 60 days prior to February 1st of the year that the Developer proposes to be the first Tax Year;
- (2) That although the Project has not reached the point of substantial completion, Developer represents to the City that the valuation of the

Development Property, including the construction of the Minimum Improvements underway, is at least 80% of the expected value of the Minimum Improvements as identified in Section 4.1 of this Agreement, said representation being subject to review and confirmation by the City;

(3) In the same manner as provided in subsection (b) of this Section 3.3, Developer will be responsible for submitting to the City a compilation of Development Costs which Developer will represent as being TIF Eligible Expenses fitting within the several components identified in this Section, above, said costs to be categorized according to said individual components along with receipts and other evidence of such costs. The Developer, in making said request prior to substantial completion, is thereby waiving the right to request approval of any subsequent expenses that might otherwise be TIF Eligible Expenses.

(4) In the same manner as provided above, in subsections (b) and (c), hereof, the City may, and is authorized to, approve said expenses and issue the request to the County Finance Office to commence the TIF Tax Exemption for the first Tax Year prior to substantial completion in the same manner as is provided above. The mayor is authorized to approve the same. Such approval shall not be unreasonably withheld.

(j) Shortfall of TIF Eligible Expenses—Adjustment of Annual Exemption. As referred to in subsection (c), hereof, in such event that the City-approved and verified TIF Eligible Expenses total a sum of less than \$300,000 then the schedule of the TIF Tax exemption applied to the Development Property shall be modified to a schedule of percentages that is commensurate with the reduced level of TIF Eligible Expenses as determined by the City after consultation with the Developer.

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

(l) The public assistance being provided to Developer via this Agreement being in the form of a TIF Tax Exemption allows the Developer to avoid incurring a portion of property taxes that would otherwise be applicable; however, nothing in this Agreement should be interpreted or construed to provide any guaranty or assurance that the schedule of TIF Tax Exemption to be applied to the Development Property will result in the Developer being able to completely recoup the full extent of the approved and verified TIF Eligible Expenses including Capitalized Interest thereon.

Section 3.4. Release and Indemnification Covenants.

(a) The Developer releases the City and the governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") from, covenants and agrees that the Indemnified Parties shall not be liable for, and agrees to indemnify and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death

of any person for which a claim is made prior to the issuance of a Certificate of Completion and occurring at, about or in connection with the Development Property and/or Minimum Improvements, or the Developer's undertaking and completion thereof, or resulting from any defect therein, except to the extent such loss, damage or death is caused by the negligence or other wrongful acts of the Indemnified Parties. This subsection (a) shall only apply to claims made prior to the issuance of the Certificate of Completion for the Project.

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

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

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

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

Section 3.5. Requests for Extensions.

Developer is authorized to make a written request for the extension of any of the Developer's deadlines for commencement or completion of work in advance of the deadline in question. Such request must be delivered to the City at least thirty (30) days in advance of the deadline unless the reason for the extension arose subsequent to such 30-day advance notice period. Requests for extension will be submitted to the board of city commissions for its consideration and the City Commission's decision on such request or requests shall be final.

Section 3.6. Use of Tax Increment by City.

Although the TIF tax exemption as referenced in Section 3.3(a) of this Agreement, that is extended to the Development Property will thereby preclude the City from receiving a considerable portion of tax increments; however, it is expected that the City will still receive the remittance of tax increment from the County Auditor over and above the portion comprising the tax exemption. The City may use such tax increment proceeds for any purpose permitted by law.

ARTICLE IV

Completion Of Minimum Improvements

Section 4.1. **Completion of Minimum Improvements.** The Minimum Improvements shall consist of the demolition of two buildings existing on the Development Property; asbestos remediation and the removal of substandard soils, rubble and other site clearing; right-of-way improvements; utility relocation and connections and related street repairs, and the construction of a multi-level apartment building with a minimum of twenty-two (22) residential apartment dwelling units with enclosed (indoor) parking on the ground level. The Minimum Improvements constitute the minimum extent of the project work required to be provided hereunder by the Developer.

Section 4.2. **Commencement and Completion of Minimum Improvements.** Subject to Unavoidable Delays, by October 1, 2025, the Developer shall have commenced the demolition work of the described Minimum Improvements, and by December 31, 2026, the Developer shall have substantially completed the Minimum Improvements as stated in Section 3.1.

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

The Developer agrees for itself, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall cause to be promptly begun and diligently prosecuted to completion of the Minimum Improvements thereon, and that such work shall in any event be commenced and completed within the period specified in this Section 4.2. It is intended and agreed that such agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement, be, to the fullest extent permitted at law and in equity, binding for the benefit of the City and enforceable by the City against the Developer and its successors and assigns. Until the Minimum Improvements has been completed, the Developer shall make reports to the City, in such detail and at such times as may reasonably be requested by the City, as to the actual progress of the Developer with respect to the Minimum Improvements.

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

Section 4.3. **Reserved.**

Section 4.4. **Certificate of Completion-Project.** The City's obligation to issue and deliver the Certificate of Completion for the Project shall require the Developer to have substantially completed construction of Project with a project value that brings the assessed value of the

Development Property to a minimum of \$2,400,000, as determined by the City Assessor; and to have substantial completion of construction occurring no later than the deadline for such completion as described in Section 3.1. Said Certificate of Completion shall be issued under the conditions and under the authority described in Article III, including Section 3.3 thereof. Such Certificate of Completion shall be a conclusive determination that the Developer has fulfilled the obligations of the Developer, and its successors and assigns, to commence and substantially complete the Project.

ARTICLE V

Insurance And Condemnation

Section 5.1. Insurance.

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

(i) Reserved.

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

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

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

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

ARTICLE VI

Reserved.

ARTICLE VII

Mortgage Financing

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

(a) except for the purpose of securing financing for the Development Property or Minimum Improvements, or all of them; and

(b) only if the City is given notice of such Mortgage in accordance with Sections 7.1 and 7.2.

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

Section 7.3. **Notice of Default; Copy to Mortgagee.** Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in its obligations or covenants under this Agreement for which the remedies of Sections 9.2 and 9.3 are available, the City shall at the same time forward a copy of such notice or demand to each holder of any Mortgage at the last address of such holder shown in the records of the City.

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

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

(a) the fact of the default;

(b) the elements of the default; and

- (c) the actions required to cure the default.

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

ARTICLE VIII

Prohibitions Against Assignment And Transfer; Indemnification

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

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

(a) Subject to Article VII and Section 8.2(c) of this Agreement, except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to making the Minimum Improvements under this Agreement, and any other purpose authorized by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the relevant portion of the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the City.

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

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

(ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed with respect to the relevant portion of the Development Property all of the remaining obligations of the Developer under this Agreement and agreed to be

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

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

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

Section 8.3. **Approvals.** Any approval of a transfer of interest in the Developer, this Agreement, or the Development Property or of a release of the Developer from its obligations hereunder required to be given by the City under this Article VIII may be denied only in the event that the City reasonably determines that the ability of the Developer to perform its obligations under this Agreement and its statutory duty, as owner, to pay ad valorem real property taxes assessed and not exempted with respect to the Development Property, or any part thereof, or the overall financial security provided to the City under the terms of this Agreement, or the likelihood of the Minimum Improvements being successfully completed pursuant to the terms of this Agreement, will be materially impaired by the action for which approval is sought.

Section 8.4. **Pre-approved Transfers. Reserved.**

ARTICLE IX

Events of Default

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

(a) There shall have occurred a failure in the observance or performance in any material respect of any covenant, condition, obligation or agreement to be observed or performed under this Agreement.

(b) If any representation or warranty made by the Developer herein shall at any time prove to have been incorrect in any material respect as of the time made.

(c) If the Minimum Improvements are not substantially completed by December 31, 2026, as such time may be extended by Unavoidable Delays.

(d) If the holder of any mortgage on the Development Property or any portion thereof shall commence a legal action on the secured indebtedness or a foreclosure of its mortgage.

(e) If the Developer shall breach any warranties, covenants or other provisions of this Agreement not referred to in the foregoing provisions of this Section 9.1.

(f) The filing by the Developer of a voluntary petition in bankruptcy or the adjudication of the Developer as a bankrupt, the insolvency of the Developer or the filing by the Developer of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation resolution or similar relief under any present or future federal, state or other statutes, laws or regulations relating to bankruptcy, insolvency or other relief for debtors, or if the Developer seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator for itself or its property, or makes any general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due.

(g) If the Developer shall not have available, and be able to demonstrate to the reasonable satisfaction of the City, sufficient funds to complete the Improvements and pay all costs thereof.

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

Section 9.2. **Remedies on Default.** Whenever any Event of Default occurs, in addition to all other remedies available to the City at law or in equity, the City (1) may without notice suspend its performance under this Agreement until it receives assurances from the Developer, deemed adequate by the City, that the Developer has cured its default and will continue its performance under this Agreement, and (2) may, after provision of sixty (60) days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said sixty (60) days, or, if the Event of Default cannot be cured within sixty (60) days, the

Developer does not provide assurances to the City reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible, terminate this Agreement, without further obligation whatsoever hereunder to the Developer. Further, whenever an Event of Default occurs that is described in Section 9.1(c), then, after provision of fifteen (15) days written notice to the Developer of such Event of Default, the City shall have the right to enter and take possession of any or all of the Development Property for the purpose of completing the Minimum Improvements and, in the course of so doing, securing the Development Property from intruders and/or preventing uninvited or unwanted persons from, entering the Development Property as may be necessary and appropriate and to abate or mediate any fire hazards or other safety hazards that are reasonably determined to exist by the City. City may enter the property under the authority granted by this Agreement, by one or more ordinances enacted pursuant to Section 40-58-18 of the North Dakota Century Code, or by both such authority.

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

As a remedy for an Event of Default:

- (a) The City may withhold a Certificate of Completion.
- (b) The City may suspend or terminate the grant of the TIF tax exemption having been provided as set forth in this Agreement, if the Event of Default is a Specified Event of Default.
- (c) The City may take any action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, to recover any damages or to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 9.3. Right to Enter Property Upon Certain Events to Abate Safety Hazard.

Subject to the limitation of remedies contained in Section 9.2, prior to receipt by the Developer of the Certificate of Completion for the Project, if an Event of Default under Section 9.1(a) - (g) occurs and (except in the case of an Event of Default under subsection (f) of Section 9.1) is not cured within the times specified in Section 9.2, then the City shall have the right to enter and take possession of any or all of the Development Property for the purpose of securing the Development Property from intruders and/or preventing uninvited or unwanted persons from, entering the Development Property as may be necessary and appropriate and to abate or mediate any fire hazards or other safety hazards that are reasonably determined to exist by the City. Such abatement or mediation action may, in the reasonable discretion of the City, include the entry by the City or a contractor engaged by the City upon the Development Property for the purpose of

completing all or any portion of the Minimum Improvements. Developer agrees to this provision and authorizes such entry onto the Development Property under such circumstances. Further, in such event or events, the City shall be authorized to offset costs incurred by the City in furtherance of the actions authorized by this Section from tax increments.

Section 9.4. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to the either Party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 9.5. **No Additional Waiver Implied by One Waiver.** If any agreement contained in this Agreement should be breached by either Party and thereafter waived by the other Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.6. **Agreement to Pay Attorneys' Fees and Expenses.** Whenever any Event of Default occurs and has not been cured within sixty (60) days and the City shall employ attorneys or incur other expenses for the enforcement, performance or observance of any obligations or agreement on the part of the Developer contained herein, or for the identification and/or pursuit of any remedies or possible workouts of such default, the Developer agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City. If an Event of Default cannot be cured within sixty (60) days, but the Developer has provided assurances to the City reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible (as provided in Section 9.2), and the Developer does so cure said Event of Default in the manner as assured to the City, the Event of Default shall be deemed to have been cured within said sixty (60) days for purposes of this Section.

ARTICLE X

Additional Provisions

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

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

(a) in the case of the Developer, to Lennon Lofts, LLC, 1630 1st Avenue North, Suite B, Fargo, ND 58102-2464, Attention: Andrew Hanson; and,

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

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

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

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

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

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

Section 10.6. **Modification.** If the Developer is requested by the holder of a Mortgage or by a prospective holder of a prospective Mortgage to amend or supplement this Agreement in any manner whatsoever, the City will, in good faith, consider the request with a view to granting the same unless the City, in its reasonable judgment, concludes that such modification is not in the public interest, or will significantly and undesirably weaken the financial security provided to the interests of the City by the terms and provisions of this Agreement.

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

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

ARTICLE XI

Termination of Agreement; Expiration

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

Section 11.2. **Expiration.** This Agreement shall expire when the TIF tax exemption granted for a term of one or more years pursuant to this Agreement has expired.

Section 11.3. **Effect of Termination or Expiration.** No termination or expiration of this Agreement pursuant to the terms hereof shall terminate any rights or remedies of the City arising hereunder due to an Event of Default, or of the Developer arising hereunder due to a breach of this Agreement by the City, occurring prior to such termination or expiration.

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

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

Dated _____

CITY OF FARGO,
a North Dakota municipal corporation

(SEAL)

By _____
Dr. Tim Mahoney, its Mayor

ATTEST:

By _____
Steven Sprague, City Auditor

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

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by Dr. Tim Mahoney and Steven Sprague, the Mayor and City Auditor, respectively, of the City of Fargo, North Dakota, on behalf of said City.

Notary Public

This document drafted by:

Erik R. Johnson
Assistant City Attorney
Fargo, ND
701-371-6850

Execution Page to Developer Agreement between the City of Fargo and
Lenon Lofts, LLC

Dated _____

Lennon Lofts, LLC

By _____,
_____, its: _____

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

The foregoing instrument was acknowledged before me this ____ day of _____,
20__, by _____, the _____ of Lennon Lofts, LLC, a North
Dakota limited liability company, on behalf of said company.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

The Development Property consists of that certain real property situate in the City of Fargo, County of Cass and State of North Dakota, more fully described as:

Lot One (1), Block One (1), 220 Addition to the City of Fargo

The property address is 220 6th Avenue North, Fargo, ND 58102.

EXHIBIT B

CERTIFICATE OF COMPLETION—

PROJECT

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

WHEREAS, pursuant to said agreement, the Developer was obligated to undertake and substantially complete in a timely manner certain Minimum Improvements as described in said agreement and the Developer did so in a timely and acceptable manner; and,

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

NOW, THEREFORE, this is to certify that all the Project specified to be done and made by the Developer have been completed, and the above covenants and conditions in said Developer Agreement have been performed by the Developer and that the Developer has fulfilled the obligations of the Developer, and its successors and assigns, for the Project.

CITY OF FARGO,
a North Dakota municipal corporation

By: _____
_____, Mayor

Attest:

_____, City Auditor

City of Fargo

Application for Tax Increment Financing

Contact Information

Primary Contact Information: Andrew Hanson - 1630 1st Ave N Ste B PMB 7 Fargo ND 58102 – 701.238.7098 – Andrew.hanson@goldmark.com

General Information

Name: Lennon Lofts, LLC – Limited Liability Company

Project Location: 220 6th Ave N, Fargo ND 58102

Project Description: Re-development of two vacant buildings including a 6 plex and single-family home. A new three-story multi-family building including 22 residential units (16 1ba/1ba and 6 2bd/1ba) and 21 enclosed surface level parking spaces. See attached plans and renderings.

Proposed Schedule: Construction is estimated to start in Q2 of 2025. A proposed 12-month construction timeline is planned with a second 12 months estimated for full stabilization of the building.

Lennon Lofts LLC will be applying for the 5-year RZ incentive and a 5-year TIF (total of 10-years).

Project Financials and Financing

Name of Developer: Lennon Lofts, LLC

Owner of Development: Lennon Lofts, LLC

Type of Project: Downtown Multi-Family

Dollar Request of TIF Assistance: \$487,305 (see attached TIF eligible expenses)

Proforma: Stabilization is estimated in Q2 of 2027. See Attached

Total Project Costs: See Attached

Hard Capital Costs: See Attached

Contributed Equity: See Attached

Loan Amounts/Terms: See Attached

Number/Type of Housing Units: 16 – 1bd/1ba units with an average of 480 square feet. 6 – 2bd/1ba units with an average of 1,100 square feet. 21 enclosed surface level parking spaces.

Commercial Space: N/A

Proposed Rent: \$1,100 for a 1bd/1ba and \$1,600 for a 2bd/1ba

Other Revenues: Pet rent of \$2,028 per year

Expenses by Category: See Attached

Extraordinary Cost Breakout: See Attached TIF eligible expenses

<u>Lennon Lofts LLC - TIF Eligible Expenses</u>		
Site Acquisition		
Purchase Price	300,000.00	
Less assessed Value (land only)	(70,900.00)	
	229,100.00	
Demo & Site Clearing		
Demolition	95,000.00	<i>Estimates</i>
Site Clearing / Asbestos Remediation & Earthwork	55,000.00	<i>Estimates</i>
	150,000.00	
Site Improvements		
Right-of-way Improvements		
New curb, sidewalks, and new curb cut	15,000.00	<i>Estimates</i>
Utility Improvements / Right-of-way & street repairs at utility connects	70,000.00	<i>Estimates</i>
	85,000.00	
Total:	464,100.00	
City Admin Fees (5%):	23,205.00	
Total TIF Eligible Expenses:	487,305.00	

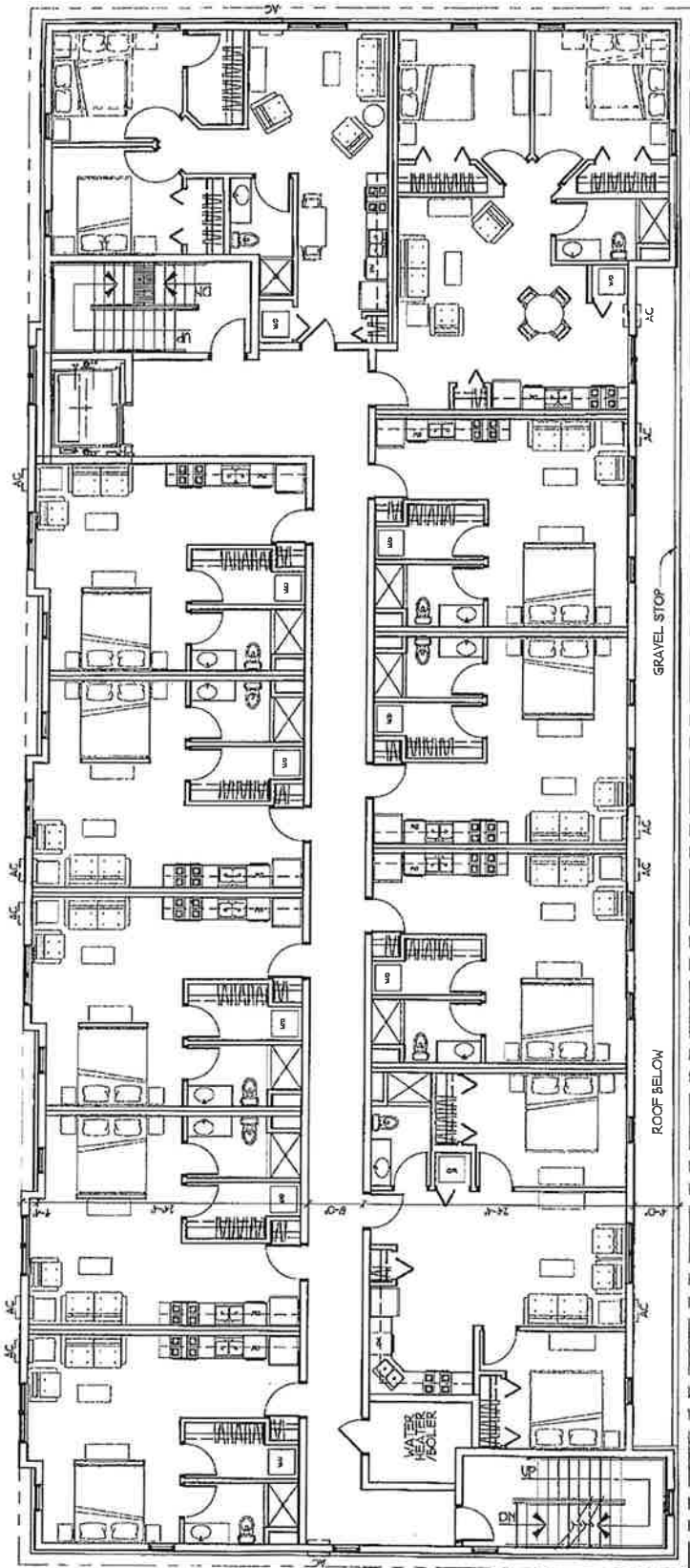
LENNON LOFTS APARTMENT PROJECT						
Overview					Operating Proforma	
Stats:		8,400 SF				
Site Size		22,509 SF				
Gross Building Area*		22				
Total Units					*Includes enclosed parking garage	
Rent Assumptions:						
Unit Description	No. of Units	Monthly Rent	Total Monthly Rent	SF / Unit	Total SF	Rent PSF
1 Bed / 1 Bath	16	\$1,100.00	\$17,600.00	480	7,680	\$2.29
2 Bed / 2 Bath	6	\$1,600.00	\$9,600.00	1,100	6,600	\$1.45
Totals:	22	\$2,700.00	\$27,200.00		14,280	\$1.90
Project Costs:						
Site:	Total		Cost PSF			
Acquisition	\$300,000.00		\$35.71			
Demo, Asbestos Abatement, Earthwork, etc.	\$150,000.00		\$17.86			
Totals:	\$450,000.00		\$53.57			
Construction:						
Total Cost	\$2,611,581.49		\$116.02			
Total Construction Costs:	\$2,611,581.49		\$116.02			
Soft Costs:						
Contingency	\$150,000.00		\$6.66			
Architecture	\$95,171.58		\$4.23			
Engineering	\$71,378.69		\$3.17			
Finance, Legal, Accounting Fee	\$20,000.00		\$0.89			
Total Soft Costs:	\$336,550.27		\$14.95			
Income:						
Gross Potential Rents					\$	326,400.00
Less Vacancy					\$	(19,584.00)
Pet Rent					\$	1,632.00
Non-refundable Pet Fees					\$	400.00
Interests Income					\$	1,000.00
Late Fees					\$	400.00
Total Income					\$	310,248.00
Expenses:						
RE Taxes Exp.						
Future Estimate					\$	(50,794.54)
Special Assessments					\$	(1,774.56)
TIF Reimbursement					\$	48,254.81
Net RE Tax Exp.					\$	(4,314.29)
Insurance Cost					\$	(7,136.08)
Maintenance & Utility Expenses					\$	(30,627.92)
Admin Exp					\$	(5,240.40)
Property Management					\$	(19,584.00)
Total Expenses					\$	(66,902.68)
Total Expenses					\$	(66,902.68)
6%						
Total Project Costs:					\$	150.97
Total Project Costs:					\$	243,345.32

LENNON LOFTS LLC										
Investment: \$849,533										
Years	1	2	3	4	5	6	7	8	9	10
Cash ROI	2.94%	3.46%	3.99%	4.53%	5.09%	5.79%	6.51%	7.25%	8.00%	8.77%
Net Cashflow	\$ 24,989.72	\$ 29,364.99	\$ 33,863.45	\$ 38,487.88	\$ 43,241.11	\$ 49,226.04	\$ 55,345.62	\$ 61,602.90	\$ 68,000.97	\$ 74,542.99
Years	1	2	3	4	5	6	7	8	9	10
Revenue (2.25% escalators)	\$ 310,248.00	\$ 317,228.58	\$ 324,366.22	\$ 331,664.46	\$ 339,126.91	\$ 346,757.27	\$ 354,559.31	\$ 362,536.89	\$ 370,693.97	\$ 379,034.59
Expenses (2.25% escalators)	\$ (66,902.68)	\$ (68,407.99)	\$ (69,947.17)	\$ (71,520.99)	\$ (73,130.21)	\$ (74,775.64)	\$ (76,458.09)	\$ (78,178.40)	\$ (79,937.41)	\$ (81,736.00)
NOI	\$ 243,345.32	\$ 248,820.59	\$ 254,419.05	\$ 260,143.48	\$ 265,996.71	\$ 271,981.63	\$ 278,101.22	\$ 284,358.50	\$ 290,756.56	\$ 297,298.58
Debt Service	\$ (216,155.59)	\$ (216,155.59)	\$ (216,155.59)	\$ (216,155.59)	\$ (216,155.59)	\$ (216,155.59)	\$ (216,155.59)	\$ (216,155.59)	\$ (216,155.59)	\$ (216,155.59)
CapEx Reserves	\$ (2,200.00)	\$ (3,300.00)	\$ (4,400.00)	\$ (5,500.00)	\$ (6,600.00)	\$ (6,600.00)	\$ (6,600.00)	\$ (6,600.00)	\$ (6,600.00)	\$ (6,600.00)
NET CASH FLOW	\$ 24,989.72	\$ 29,364.99	\$ 33,863.45	\$ 38,487.88	\$ 43,241.11	\$ 49,226.04	\$ 55,345.62	\$ 61,602.90	\$ 68,000.97	\$ 74,542.99
ROI	2.94%	3.46%	3.99%	4.53%	5.09%	5.79%	6.51%	7.25%	8.00%	8.77%
Combined DSCR	1.13	1.15	1.18	1.20	1.23	1.26	1.29	1.32	1.35	1.38
Appreciation (1.5%)	\$ 3,450,000.00	\$ 3,501,750.00	\$ 3,554,276.25	\$ 3,607,590.39	\$ 3,661,704.25	\$ 3,716,629.81	\$ 3,772,379.26	\$ 3,828,964.95	\$ 3,886,399.42	\$ 3,983,559.41
Net Sales Proceeds										\$ 3,704,710.25
Loan Balance										\$ (2,004,049.81)
Total Equity										\$ 1,700,660.44
10 Year IRR	(8.49,533)	24,989.72	33,863.45	38,487.88	43,241.11	49,226.04	55,345.62	61,602.90	68,000.97	1,775,203.43

Construction Loan Terms	
Interest Rate	7.50%
Term (Months)	12
Construction Loan	\$ 2,548,598.81
Total Dev. Costs	\$ 3,398,131.75
LTC	75.0%
Dev. Value	\$ 3,450,000.00
LTV	73.9%
Drawdown Factor	100%
Annual Debt Service	\$ 108,077.80

Perm Debt Overview	
	DSCR
Loan Amount	\$2,548,599
Int. Rate	7.00%
Amortization	25
Annual Pmts	\$ (216,155.59)





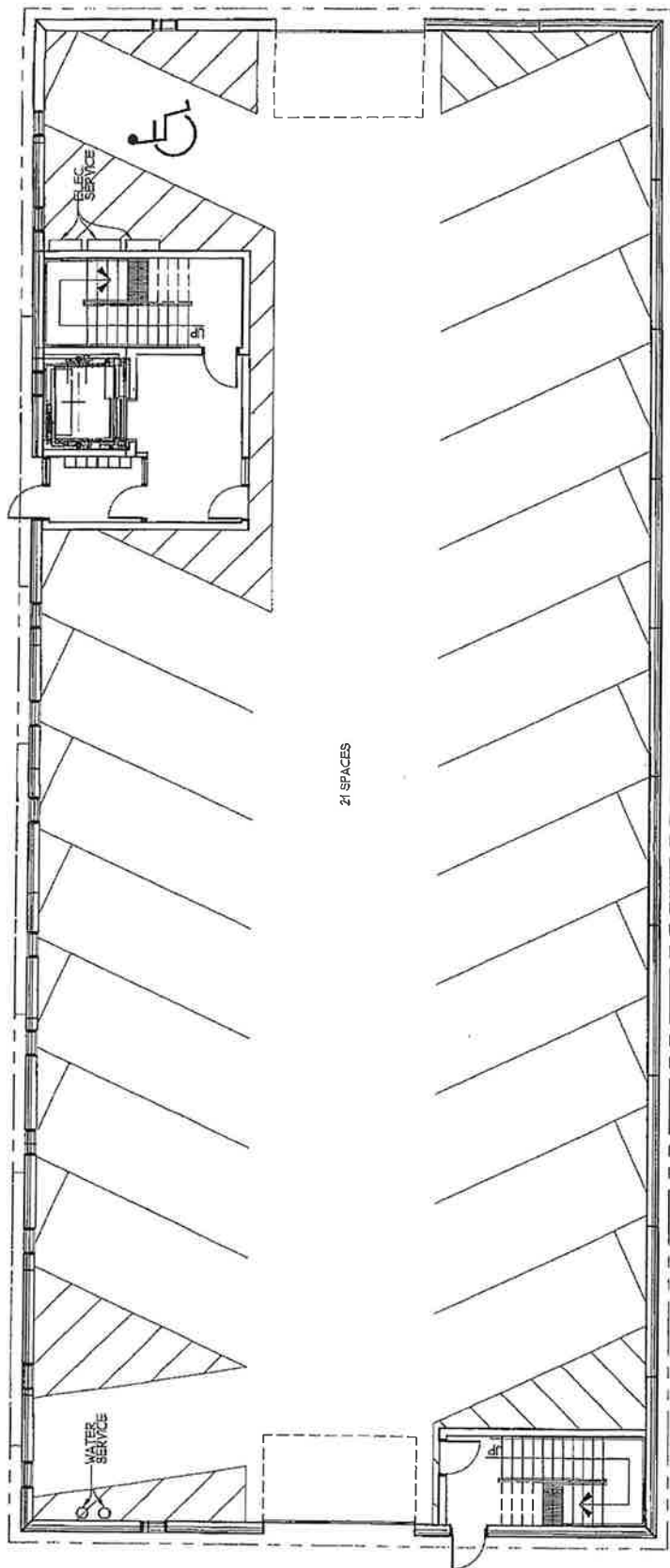
SECOND & THIRD FLOOR PLAN
1' x 10' 0"

M | B | A |
MUTUAL BARTON ARCHITECTS, P.C.
1000 N. 10TH ST., SUITE 100
MINNEAPOLIS, MN 55401
TEL: 612.338.1111 FAX: 612.338.1112

Z O
APARTMENTS
Fargo, North Dakota

September 2, 2024

A2



FIRST FLOOR PLAN
1" = 40'



MBA
MONTGOMERY BARTON ARCHITECTS, P.C.
1000 W. 10TH STREET, SUITE 100
DENVER, CO 80202

Z Z O
APARTMENTS
Fargo, North Dakota
September 2, 2024

A1

City of Fargo, North Dakota

Tax Increment Financing Program

“But-For” Report

Lennon Lofts LLC



February 14, 2025



Table of Contents

	<u>Page</u>
1. Purpose	1
2. Project	2
3. Assistance Request	3
4. Project Financing	5
5. Return Analysis	6
6. Conclusion	7

Purpose

The purpose of this report is to establish and determine the allowable value of the Renaissance Zone (RZ) property tax exemption and tax increment financing (TIF) (together "Public Assistance") for Lennon Lofts, a development by Lennon Lofts, LLC (the "Developer").

PFM first reviewed the application to ensure that appropriate assumptions regarding property value, rent, vacancy, expenses, and debt were used by the Developer. Based on those assumptions, PFM projected a 10-year cash flow, calculating an internal rate of return ("IRR"). We also made sure the Developer followed the City of Fargo's (the "City") Economic Development Incentives Policies and Guidelines (the "Policy") including the allowable costs and the Developer's calculations for determining the amount of allowable subsidy financing. The following report details PFM's analysis and conclusions concerning the viability of the proposed project without the subsidy.



Project

The project being proposed by the Developer includes the development of a 22-unit apartment building with enclosed parking located at 220 6th Avenue North.

The Developer estimates the construction will be completed in early 2026 with occupancy immediately following. The Developer has requested Public Assistance in the amount of \$487,305 to complete the project.



Public Assistance Request

The Developer is requesting Public Assistance in the form of Renaissance Zone property tax exemption and tax increment financing under the City's Tax Increment Financing Policy. The Policy provides Public Assistance to a development through tax increment financing for private development. The Developer is asking for 5 years of RZ exemption, followed by 5 years of TIF exemption. The Policy states a 100% exemption on the increased value of the improvements for the ten years.

Eligible TIF Expenditures

Site Acquisition	229,100
Demolition & Site Clearing	150,000
Site Improvements	<u>85,000</u>
Total	\$464,100
City Administrative Fees (5%)	<u>23,205</u>
Total TIF Eligible Expenses	\$487,305

The Policy limits the Public Assistance to 15% of hard construction costs, including the costs of acquisition. Based on total hard construction costs of \$2,761,581, plus the costs of acquisition of \$300,000, the Developer can receive up to \$459,237. The Developer is requesting \$487,305, which is above the maximum allowed.

Land Cost

The Developer states the purchase price to acquire the property for the project is \$300,000. Land acquisition is reimbursable under the Policy. The Developer is requesting to be reimbursed \$229,100 for the land acquisition which complies with the Policy.



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

- 1.) **The total acquisition cost for the property, provided that the acquisition cost is no more than 150% of the assessor's market value of the property.** The Developer's cost to acquire the property is \$300,000. The assessor's market value for the property totals \$159,700. The eligible amount for reimbursement is 150% of \$159,700 which totals \$239,550.
- 2.) **The difference between what was paid by the Developer for the property less the assessor's market value for the land (as opposed to land and buildings).** The current assessor's land value is \$70,900. Based on an acquisition price of \$300,000 the maximum reimbursement is \$229,100.

The lesser of the two tests detailed above is \$229,100. The requested reimbursement amount for land acquisition of \$229,100 is equal to the amount allowed under the Policy.

Term

The Policy states the length of the term will be limited to 15 years or less. The Developer is requesting a total of a 10-year term.

Public Assistance Estimate

PFM estimates that \$524,054 of Public Assistance will be generated over the 10 years, assuming a 2.00% market growth rate. Based on a discount rate of 5.25%, the present value of the estimated tax benefits is \$347,381 for the 10 years of the project when the RZ and TIF would be in effect. This is less than the total eligible Public Assistance expenditures.



Project Financing

The Developer is investing 25% equity, or \$849,533, and will be privately financing \$2,548,599. The Developer is additionally requesting annual Public Assistance in the total amount of \$487,305. The private financing is estimated to be a 25-year loan with an estimated interest rate of 7% resulting in an annual principal and interest payment of \$216,156.



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 \$1,100 for a one-bedroom unit and \$1,600 for a two-bedroom unit. The Developer has proposed a reasonable amount for rent for the current market and location. Annual estimates of operating expenses for the 22-unit rental development were provided, as follows; Insurance - \$7,136, Maintenance and Utilities - \$30,628, Administration - \$5,240, Property Management - \$19,584, and Real Estate Taxes - \$53,211 (without Public Assistance). The total expenses are approximately 37% 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 6.49% internal rate of return based on a 10-year internal rate of return. The Developer would have about a 10.96% 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 1.11x without assistance, with a Year 6 coverage of 1.01x. If the City provided assistance to the project the maximum debt coverage is projected to be 1.37x in Year 10, with a Year 6 coverage of 1.25x.

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 5.

Sensitivity Scenario 1 – Project Costs

The project would have to be reduced by \$405,025 or 15.9% in order for the project to become viable without assistance. This reduces the amount to be financed from \$2,548,599 to \$2,143,573 and reduces the annual payment from \$216,156 to \$181,804 for the loan. It is unlikely that a reduction in project costs of this magnitude would occur at this stage in the development.

Sensitivity Scenario 2 – Rental Rates

In order for the project to be viable without Public Assistance, the apartment rental rates would have to increase by 12.9%. PFM believes this is a high increase to the Developer's proposed rents. This increases annual rental revenue from \$326,400 to \$368,447. PFM believes the current proposed rents are reasonable rental rates and does not believe an increase this large would occur.

Sensitivity Scenario 3 – Combination of Project Costs and Rental Rates

The final scenario looks at both a reduction of project costs and an increase in apartment rental rates. The analysis showed that project costs would have to be reduced by \$203,888 or 8.0% and rental rates would have to increase by about 6.4%. Either of these events could occur but may be unlikely to occur together.

The above scenarios show the circumstances in which the project would become viable without Public Assistance. PFM has determined that the project is unlikely to occur "but-for" the Public Assistance.



Conclusion

The Developer will bear all the risk involved with the project. The Developer is dependent on a number of factors before and after the project is completed, including project costs, occupancy of the buildings, the rental market, and monthly expenses. The base scenario without assistance along with the sensitivity analyses demonstrates that the project would be unlikely to be feasible without assistance.

PFM has calculated that with Public Assistance, and based on the assumptions outlined in this report, a 10-year internal rate of return is estimated to be 10.96%. In addition, the coverage ratio in Year 10 is estimated to be 1.37x. The estimated internal rate of return is appropriate given the risk level for this type of project. Based on the information provided to PFM, the calculated internal rate of return and the coverage requirements, PFM concludes the project would not be feasible without Public Assistance.





John Strand, City Commissioner

Fargo City Hall

225 4th Street North

Fargo, ND 58102-4817

Phone: 701.715.3269 | Fax: 701.476.4136

Email: JStrand@FargoND.gov

www.FargoND.gov

MEMORANDUM

TO: BOARD OF CITY COMMISSIONERS

FROM: COMMISSIONER JOHN STRAND

DATE: MARCH 17, 2025

SUBJECT: PROPOSAL FOR FULL-TIME MAYOR POSITION IN 2026

The topic of a full-time Mayor for the City of Fargo has been discussed in the past by the City Commission and citizens of Fargo. With the upcoming vacancy in the Mayor's office in 2026, I believe now is the time to address whether the next Fargo Mayor, and those that follow, should serve in a full-time rather than part time capacity.

To vet this question and develop a transition plan to a full-time Mayor, I am requesting that the City Commission authorize the City Administrator, City Attorney's Office and the Human Resources Department to develop a transition plan for a full-time Mayor with the election of Fargo's next Mayor in June 2026. Staff will also incorporate and reflect this change in the City's 2026 Budget.

SUGGESTED MOTION: To direct the City Administrator, City Attorney's Office and the Human Resources Department to research a full-time Mayor for the City of Fargo; propose a plan to transition the Mayor's role to full-time on July 1, 2026; and incorporate the necessary budget support for a full-time Mayor in the City of Fargo's 2026 Budget.



March 17, 2025

To: Board of City Commissioners
Fr: Michael Redlinger, City Administrator
Re: Presentation on City of Fargo Employee Overtime Policies, Procedures, & Budget

At the March 3, 2025 City Commission meeting, the City Commission requested that City staff prepare background information and a presentation on City of Fargo employee overtime policies, procedures, and budget approval. At the March 17, 2025 City Commission meeting, City Administration, Finance, and Human Resources will present on these topics. The City Commission will also receive information from the City of Fargo's Department Heads in Public Works, Fire, and Engineering to provide further context on how overtime, both planned and unplanned, is utilized and managed by the Department Heads in the delivery of services to Fargo citizens.

Following the presentation, staff will be available to answer questions of the City Commission. There is no recommendation or requested action of the City Commission. This presentation is for informational purposes only.

Suggested Motion: None. This is an informational presentation.