

**FARGO CITY COMMISSION AGENDA**  
**Monday, March 31, 2025 – 5:00 P.M.**

Executive Session at 4:00 p.m.

Roll Call.

**PLEASE NOTE:** The Board of City Commissioners will convene in the City Commission Chambers at 4:00 p.m. and retire into Executive Session in the Red River Room for the purpose of negotiation discussions regarding an offer received from WMF Properties LLC and from Hazer Ventures LLC for the acquisition of portions of the City property west of the landfill and to establish strategy and pricing for other portions of the same City property to be marketed for sale by the City. Discussing these negotiations, strategy and pricing in an open meeting would have a negative fiscal effect on the bargaining position of the City of Fargo. An Executive Session for this matter is authorized pursuant to North Dakota Century Code §44-04-19.1 subsection 9.

Regular Meeting at 5:00 P.M.

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

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, March 17, 2025).

**CONSENT AGENDA – APPROVE THE FOLLOWING:**

- 1. Receive and file an Ordinance Amending Article 13-03 of Chapter 13 of the Fargo Municipal Code Relating to the Control and Regulation of Food Service Establishments and an Ordinance Amending Section 1-0305(A)(1) of Article 1-03 of Chapter 1 of the Fargo Municipal Code Relating to Classification of Ordinance Violations.
- 2. 1st reading of 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.
- 3. 1st reading of 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, Service or Dispensing of Alcoholic Beverages and Section 1-0305 of Chapter 1-03 Relating to Ordinance Violations.
- 4. Interest Buydown Agreement – PACE Program with the Bank of North Dakota received by Gateway Arches Real Estate Holdings LLC.
- 5. Site Authorizations for Games of Chance:
  - a. Fargo Youth Hockey Association at Buffalo Wild Wings-19th Avenue North.
  - b. Fargo Youth Hockey Association at Buffalo Wild Wings-42nd Street South.

- c. Fargo Youth Hockey Association at Fargo Youth Hockey Association.
  - d. North Dakota Association for the Disabled, Inc. at Bulldog Tap.
  - e. North Dakota Association for the Disabled, Inc. at Cowboy Jack's.
  - f. Plains Art Museum at Big Top Bingo.
  - g. Plains Art Museum at Blue Wolf Casino.
  - h. Plains Art Museum at Wild Bill's Sports Saloon.
  - i. WF Events, Inc. d/b/a West Fargo Events at Fargo Billiards & Gastropub.
6. Applications for Games of Chance:
    - a. Anne Carlsen for a raffle and raffle board on 4/26/25.
    - b. Carson Glore Foundation for a raffle and raffle board on 6/2/25.
    - c. Centennial Elementary for a raffle on 4/4/25.
    - d. Delta Delta Delta for a raffle on 4/7/25.
    - e. Fargo Lions for sports pool from 9/8/25 to 12/29/25.
    - f. St. John Paul II Catholic Schools for a raffle on 4/26/25.
    - g. STEM Alliance of Fargo Moorhead for a raffle on 5/1/25.
    - h. YWCA Cass Clay for a raffle and raffle board on 4/28/25.
  7. Renewal of the Alcoholic Beverage and Live Entertainment Licenses until 3/31/26, contingent upon all essential requirements for renewal are met by 3/31/25.
  8. Contract and bond for Project No. PR-25-B1.
  9. Contract and bond for Project No. SR-25-A1.
  10. Contract and bond for Project No. TN-24-A1.
  11. Variance Acknowledgement and Liability Waiver with Century Holdings LLC for property located at 3459 39th Street South.
  12. Amendment No. 2 with Houston Engineering in the amount of \$35,000.00 for Project No. MS-24-A0.
  13. U.S. Department of Transportation Grant Agreement Under the Fiscal Year 2022 RAISE Grant Program.
  14. Memorandum of Understanding with the City of West Fargo for Project Nos. TR-25-C1 and TR-25-D1.
  15. Bid award to Opp Construction LLC in the amount of \$1,038,742.90 for Project No. PR-25-A1.
  16. Bid award to Border States Paving, Inc. in the amount of \$1,851,825.70 for Improvement District No. PR-25-E1.
  17. Create Improvement District No. BR-25-B and adopt Resolution of Necessity (Paving and Utility Rehab/Reconstruction).
  18. Create Improvement District No. PN-25-A and adopt Resolution of Necessity (Asphalt Wear Course).
  19. Create Improvement District No. PR-25-F and adopt Resolution of Necessity (Concrete Paving Rehab/Reconstruction).

20. Items from the FAHR Meeting:
  - a. Receive and file Sales Tax Revenue Update.
  - b. Receive and file General Fund - Budget to Actual through 2/28/25.
  - c. Purchase of four Trikke Positron 72v-XLs units from Trikke Professional Mobility using seized asset forfeiture funds in the amount \$51,000.00 and related budget adjustment (RFQ25128).
21. Notice of Grant Award from the ND Department of Health and Human Services for increasing TB infection identification and treatment (CFDA #93.116).
22. Memorandum of Understanding between Local Public Health Units in the Southeast North Dakota Public Health Collaborative.
23. Appointment of Dr. Jessie Lindemann as Health Officer for Fargo Cass Public Health (RFP25078).
24. Direct the City Attorney's office to work with the Public Works and Water Filtration Departments to review and update Article 16-02 - Control and Regulation of Water Meters.
25. Authorization Application for Vector Disease Control International, LLC for aerial spraying.
26. Bid awards to Master Construction; Earthwork Services, Inc.; Lenzmeier Trucking Inc.; and Diesel Dogs Contracting, LLC for 2025/2026 Snow Hauling Trucking Services and subsequent Services Agreements (RFP25059).
27. Bid award to Poynette Iron Works in the amount of \$283,765.00 for front load containers (RFP25105).
28. Resolution Authorizing the Issuance and Sale of \$30,595,000.00 City of Fargo Sales Tax and Water Revenue Bond, Series 2025B and \$4,100,000.00 City of Fargo Taxable Sales Tax and Water Revenue Bond, Series 2025C.
29. Bid advertisement for Project No. WA2502 (Water Tower Demolition).
30. Bid advertisement for Project No. WA2501 (Water Tower No. 6 Reconditioning).
31. Bid advertisement for Project No. WA243A (Lead Service Line Replacement Phase 1).
32. Bills.

#### **REGULAR AGENDA:**

33. Recommendation for appointments to the Board of Health.

#### **\*Public Input Opportunity\* - PUBLIC HEARINGS - 5:15 pm:**

34. **PUBLIC HEARING** - Hearing to consider a Renewal Plan and Developer Agreement with Skyline, LLC for Tax Increment Financing District No. 2018-03 (1100 block of 18th Street North); continued from the 3/17/25 Regular Meeting.
35. **PUBLIC HEARING** - Application for a Class "F" Alcoholic Beverage License for Sol Ave Kitchen, Inc. d/b/a Nova Eatery & Supper Club to be located at 402 Broadway North.

36. **PUBLIC HEARING** - Application for a Class "ABH-Limited" Alcoholic Beverage License for TC Lodging LLC d/b/a Springhill Suites to be located at 3401 Jacks Way South.
37. **PUBLIC HEARING** - Application for a Class "B-Limited" Alcoholic Beverage License for STL of North Dakota d/b/a Target Wine & Spirits to be located at Southeast Corner of 38th Street South and Alexander Drive South.
38. Recommendation from Commissioner Strand to make City-owned property available for a possible Convention Center location in the RFP process.
39. Legislative Update.
40. Liaison Commissioner Assignment Updates.
41. **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://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 web site at [FargoND.gov/CityCommission](https://FargoND.gov/CityCommission).

(33)

**MEMORANDUM**

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: MAYOR TIMOTHY J. MAHONEY**



**DATE: MARCH 31, 2025**

**SUBJECT: BOARD OF HEALTH APPOINTMENTS**

The terms of Evelyn Telford, Kayla Nelson and Nyamal Dei expired on December 31, 2024. Ms. Telford, Ms. Nelson and Ms. Dei are no longer wishing to continue their service on the Board.

I have attached the web applications for Dr. Andrew McLean, Meg Forde and Valentina Bamfowaa Asiedu who have expressed interest in serving on the Board and I am, therefore, recommending their appointments.

Your favorable consideration of these recommendations is greatly appreciated.

**RECOMMENDED MOTION:** To appoint Dr. Andrew McLean, Meg Forde and Valentina Bamfowaa Asiedu to the Board of Health for three-year terms ending December 31, 2027.

mmappt25boh

## Kember Anderson

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**From:** noreply@cityoffargo.com  
**Sent:** Monday, December 30, 2024 3:43 PM  
**To:** Commissions Applications  
**Subject:** New Form Submission: Getting involved in government  
**Attachments:** Meg Forde Resume - Clinical Operations.pdf

**Name:**

[Meg Forde]

**Mailing Address:**

[REDACTED]

**City:**

[Fargo]

**State:**

[North Dakota]

**Zip:**

[58103]

**Work Phone:**

[BLANK]

**Home Phone:**

[REDACTED]

**E-mail:**

[REDACTED]

**For which boards or commissions would you like to be considered?**

[Board of Health]

**Briefly state why you would like to be on this panel:**

[As a Fargo resident who cares deeply about the health and wellness of our community, I am motivated by the opportunity to help shape policies and initiatives that will improve the health outcomes of Fargo. I am deeply committed to ensuring that our health policies reflect the diverse and unique needs of our community. ]

**How many hours per month could you volunteer as a panel member?**

[5-10 hours or variably flexible as needed ]

**Please list any past experience you have with city government here or in other cities:**

[no previous experience ]

**Please describe any professional experience you have related to the responsibilities of the panel you are interested in:**

[ - Masters of Science degree in Nutrition and Exercise Science and Bachelor's of Science degree in Dietetics with a minor in chemistry  
- Worked professionally in clinical research operations and healthcare in various roles for over 13 years. Throughout my professional career, I have worked in roles that align closely with the responsibilities of the Fargo Board of Health. I am comfortable managing budgets effectively as well as developing structured policies and procedures. As a college student, I volunteered at Fargo Cass Public Health and learned first hand how community health programs designed well can impact health disparities and access to healthcare for underserved populations. I have worked directly with a variety of unique communities Fargo including residents in long term care, patients seeking relief with pharmaceutical THC, and providing healthy eating and wellness presentations for general populations in the Fargo area. ]

**We will retain your application for three years and consider you for the board you have indicated interest in when a vacancy arises.**

**Kember Anderson**

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**From:** noreply@cityoffargo.com  
**Sent:** Tuesday, December 31, 2024 10:55 AM  
**To:** Commissions Applications  
**Subject:** New Form Submission: Getting involved in government  
**Attachments:** Biosketch McLean.pdf

**Name:**  
[Andrew McLean]

**Mailing Address:**  
[REDACTED]

**City:**  
[Fargo]

**State:**  
[North Dakota]

**Zip:**  
[58104]

**Work Phone:**  
[REDACTED]

**Home Phone:**  
[BLANK]

**E-mail:**  
[REDACTED]

**For which boards or commissions would you like to be considered?**

[Board of Health]

**Briefly state why you would like to be on this panel:**

[I could assist in recommendations on Behavioral Health and Community Resilience]

**How many hours per month could you volunteer as a panel member?**

[2]

**Please list any past experience you have with city government here or in other cities:**

[Assisted City Government Officials on community resilience/messaging during floods.]

**Please describe any professional experience you have related to the responsibilities of the panel you are interested in:**

[I'm a physician and have experience/training in public health. I previously was the medical director for the State of North Dakota's Department of Human Services and have previously served on many boards.]

**We will retain your application for three years and consider you for the board you have indicated interest in when a vacancy arises.**

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## Kember Anderson

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**From:** noreply@cityoffargo.com  
**Sent:** Monday, January 6, 2025 4:07 PM  
**To:** Commissions Applications  
**Subject:** New Form Submission: Getting involved in government  
**Attachments:** Resume-Valentina Asiedu.pdf

**Name:**  
[Valentina Bamfowaa Asiedu]

**Mailing Address:**  
[REDACTED]

**City:**  
[Fargo]

**State:**  
[North Dakota]

**Zip:**  
[58102]

**Work Phone:**  
[BLANK]

**Home Phone:**  
[REDACTED]

**E-mail:**  
[REDACTED]

**For which boards or commissions would you like to be considered?**

[Board of Health]

**Briefly state why you would like to be on this panel:**

[As a public health professional with 3 years' experience in public health research, health policy advocacy, program development and implementation, I am eager to contribute my expertise in public health to this panel particularly because of experience in policy advocacy and program implementation. I can provide real-world insights into the challenges and opportunities facing the public health system in Fargo and the state of North Dakota at large. Also, in my current role as Refugee Health Navigator, where I provide individualized guidance to Refugees and Newcomers in navigating the healthcare system and overcoming barriers accessing the needed care makes me confident that I can contribute impactful perspective in discussions focused on making the healthcare system and infrastructure in the Fargo area more welcoming to Newcomers and Refugees. ]

**How many hours per month could you volunteer as a panel member?**

[I could volunteer 4 hours per month as a panel member]

**Please list any past experience you have with city government here or in other cities:**

[I have not had direct experiences with the city government here in Fargo, ND. However, during my graduate degree education in public health at the North Dakota State University, I had the privilege of working as a Graduate Assistant with the Community Engagement Unit of the North Dakota Department of Health and Human Services. In this role, I have worked in several projects ranging from provision of administrative support to the New American Foreign-Born and Immigrant Board (NFI) to program development and implementation, public health policy and advocacy, public health survey and research and participation in strategic planning. ]

**Please describe any professional experience you have related to the responsibilities of the panel you are interested in:**

[In my previous role as a Graduate Assistant at the Community Engagement (CE) Unit of the North Dakota Department of Health and Human Services, I gained extensive experience in program implementation and evaluation, public health policy and advocacy, and strategic planning, which directly aligns with the responsibilities outlined for this panel. This included a project the piloting of a participatory grantmaking approach for allocating a portion of federal funds to improve the health of pregnant women, mothers, and children, particularly those with low-income or limited access to health services, using shared decision-making with community-based organizations. I also provided technical support to the grantees in developing their program proposals and budgets, developed process and procedures documents to guide grantees and tracked grantee progress on grant deliverables which resulted in increased in messaging of the importance of preventive health among low income and minority women in the state. Additionally, I have a strong understanding of public health policy and advocacy through my collaboration with the Maternal and Child Health (MCH) Team at ND HHS to advocate for the extension of postpartum Medicaid coverage for eligible pregnant women in North Dakota from 60 days to 12 months and helped develop culturally appropriate prenatal educational material to meet the health literacy needs of New American, Foreign-born Immigrants in the state of North Dakota. This experience equipped me analytical skills to collect and evaluate data, approaching public




*health issues with a systems thinking approach, knowledge in working with partners and stakeholders to address public health issue and generating policy plans to address an issue and advocate for policy change. In my current role as Refugee Health Navigator at Global Refuge (non-profit), Fargo Field Office, I spearheaded a successful initiative to increase transportation access for Refugees and Newcomers in the Fargo area by identifying transportation services in the area that can meet the transportation needs of this underserved population leading to increase in accessibility of health-related needs that requires transportation. Additionally, to promote Refugee and Newcomer health through health education, I continue to collaborate with community partners such as Arkos Health, Family Healthcare and Fargo Cass Public Health to provide education on health-related topics relevant to the Refugee and Newcomer population. This experience has provided me with a deep understanding of community needs, grassroots organizing techniques, and effective outreach strategies, which I believe would be valuable assets to this panel.*  
]

**We will retain your application for three years and consider you for the board you have indicated interest in when a vacancy arises.**

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## MEMORANDUM

**TO:** Fargo City Commission

**FROM:** Jim Gilmour, Director of Strategic Planning and Research 

**DATE:** March 24, 2025

**SUBJECT:** Renewal Plan for a site near NDSU

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I drafted a Renewal Plan for the redevelopment of a site near North Dakota State University (NDSU). It is in the 1100 block of 18th Street North. Seven blighted buildings have been demolished and the site is vacant. The redevelopment project would clean up the site and construct an 88-unit apartment building.

The developer is requesting Tax Increment Financing (TIF) for costs allowed by City policy. The new development will be an 88-unit apartment building with a value of more than \$11 million. Following expiration of the TIF Note, new property taxes are estimated to be \$154,000.00 a year. The length of the TIF Note will not exceed 11 years following completion of the building, but will also include TIF income during the construction year.

The Core Neighborhood future land use plan for the site indicates multifamily residential. The current zoning allows housing on the block. The Planning Commission has indicated the Renewal Plan is consistent with the GO2030 Comprehensive Plan.

The Economic Development Incentives Committee is recommending approval of the Renewal Plan and TIF assistance. However, at the request of the Finance Department, the TIF assistance will be structured as a TIF note rather than a TIF exemption.

A public hearing on the Renewal Plan and Developer Agreement is part of the review process. This hearing will provide an opportunity for potential competitors 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 Skyline, LLC to provide a TIF note for the project.

### Attachments

1. Resolution
2. Renewal Plan
3. Developer Agreement
4. TIF Application
5. Report from Financial Advisor

RESOLUTION  
BOARD OF CITY COMMISSIONERS OF THE  
CITY OF FARGO

TAX INCREMENT FINANCING DISTRICT 2018-03

Commissioner \_\_\_\_\_ moved for approval of the following:

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

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

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

1. That one or more slum or blighted areas, or areas consisting of industrial or commercial property, or a combination of those areas of properties, exist in the City of Fargo.
2. That the development, rehabilitation, conservation or redevelopment, or a combination thereof, of the area contained within the Renewal Plan Update for Tax Increment Financing District No. 2018-03, is necessary in the interest of public health, safety, morals or welfare of the residents of the City of Fargo and will afford maximum opportunity, consistent with the sound needs of the city as a whole, for the rehabilitation or redevelopment of the development area by private enterprise.
3. That there are blighted areas within the area contained within the Renewal Plan Update with deteriorated conditions that discourage redevelopment. The Renewal Area, as defined in the Renewal Plan Update, 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 Update or Tax Increment Financing District No. 2018-03 is appropriate for a development project.
5. That such development, rehabilitation, conservation or redevelopment of the area contained in the Renewal Plan Update for Tax Increment Financing District No. 2018-03 requires the powers and authority granted in Chapter 40-58 NDCC.
6. That the Renewal Plan Update for Tax Increment Financing District No. 2018-03 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.

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**RENEWAL PLAN UPDATE**

**DISTRICT NO. 2018-03**

**CITY OF FARGO, NORTH DAKOTA**

**February, 2025**

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## **RENEWAL PLAN UPDATE FOR TAX INCREMENT DISTRICT NO. 2018-03**

This is a renewal plan update for property within Block 3 of Beardsley's Addition. The 2018 plan did not provide a detailed plan for development. This amendment now identifies a plan for redevelopment. The redevelopment plan and the original 2018-03 plan are attached to this amendment. Attachment A.

### Subsection 1.1. Definitions.

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

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

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

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

"County" means Cass County, North Dakota.

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

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

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

"State" means the State of North Dakota.

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

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

"Tax Increment Financing District" or "TIF District" means Tax Increment Financing District No. 2018-03.

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

Subsection 1.2. Statutory Authority.

The creation of the Renewal Area is authorized by the Urban Renewal Law. Specifically, the creation of the Renewal Area is authorized under North Dakota Century Code, Sections 40-58-01.1(7) and (14), which provide that the local governing body may designate industrial or commercial property, a slum or blighted area, or combination of these properties as appropriate for a development or renewal project.

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

Subsection 1.3. Statement of Public Purpose

In adopting the Renewal Plan Update of 2018-03, the City Commission intends to make the following findings:

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

**Factual basis:** This Renewal Area is blighted due to the presence of deteriorated or deteriorating structures (unsound basements or foundations, inadequate roofing, deteriorated siding and windows) which substantially impairs the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. Photos of the Renewal Area can be found in Attachment B.

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

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

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

**Factual basis:** In 2018, the renewal area was designated in the Roosevelt/NDSU Neighborhood Land Use Plan for higher-density residential development. The future land use plan for Core Neighborhood Plan identified the plan area as multi-family residential. The property is zoned University Mixed Use, which allows and requires higher density housing.

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

**Factual basis:** All of the buildings in the renewal area have been demolished. There will not be any additional displacement.

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

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

#### Subsection 1.4. Description of Renewal Area

The renewal area is located southwest of NDSU in the Roosevelt Neighborhood. The 2018 Plan provides maps showing information for properties on the block. The boundary of the renewal area is one area on the block, with the yellow line as the perimeter. This block is zoned University Mixed Use (UMU).

There are 7 properties in the renewal area. All of the buildings were demolished following the adoption of the 2018 Renewal Plan.

The two houses in the renewal area that were vacant in 2018 were demolished in that year. The other houses were removed in 2024.

#### Subsection 1.5. Demolition of Structures and Redevelopment

Plans for the future redevelopment have been developed and are attached to this plan. The new development is multi-family housing, the housing will comply with the current zoning. The Development of the Renewal Area includes the following activities:

**Demolition & Site Cleaning/Grading** – This cost is the estimate of the cost to remove existing buildings and foundations, trees and concrete, and inspect for and remove asbestos, plus fill and grade the site. The estimated cost is \$625,000.

**Land Acquisitions** – The developer has already acquired the properties. Eligible public assistance is up to \$1.2 million.

**Administration** – Administration costs are estimated at \$75,000.

These costs represent estimated costs for planning purposes, and may be different when this plan is implemented with a development agreement. The development agreement costs will be determined after a review by City financial advisors. The maximum allowed costs will be specified in the development agreement.



Subsection 1.6. Land Use Attributes.

- (a) Zoning. The property is zoned UMU (University Mixed Use). No zoning or platting changes are required to allow redevelopment on these properties.
- (b) The property is zoned UMU ((University Mixed Use), which allows commercial and requires residential density of 18 units per acre.
- (c) Building Requirements. All properties within this district are subject to the provisions of the City of Fargo Building Codes and the Land Development Code.
- (d) Plan relationship to land use objectives (land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.) The land use objective for this project complies with the UMU (University Mixed Use) zoning district, the redevelopment goals of the GO 2030 Comprehensive Plan and the Core Neighborhood Plan. The development provides for new residential dwelling units within an existing residential neighborhood.

Subsection 1.7. Redevelopment and Financing

The City anticipates that implementation of this Renewal Plan may involve certain public costs. Under North Dakota Century Code, Sections 40-58-20 and 40-58-20.1 allow the use of funds received from tax increments to be applied to certain specified costs.

The costs identified in Subsection 1.5 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 \$1.15 million over 15 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 \$195,900.

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 over \$18 million. The increase in value will be approximately \$18 million. Under the mill rate in effect as of the date of this Plan, the developers benefit will be \$252,000 a year for five years, \$189,000 a year for the next five years, and \$126,000 a year in years 11-15.

Subsection 1.11. Duration of the TIF District.

The TIF exemption will for a fifteen-year period.

**ATTACHMENT A**  
**PLAN FOR REDEVELOPMENT**



**SKYLINE APARTMENTS - VIEW 1**  
JANUARY 17TH 2025      CONCEPTUAL RENDERING



Building success.



SKYLINE APARTMENTS - VIEW 2  
JANUARY 17TH 2025      CONCEPTUAL RENDERING







**SKYLINE APARTMENTS - VIEW 3**  
JANUARY 17TH 2025      CONCEPTUAL RENDERING



SKYLINE APARTMENTS - VIEW 4  
JANUARY 17TH 2025      CONCEPTUAL RENDERING







LUX LAP - METAL  
V GROVE  
PECAN

EDCO - METAL  
BOARD AND BATTEN  
STATUARY BRONZE

EDCO - METAL  
HORIZONTAL LAP  
CLAYTONE

PRECAST  
CONCRETE

EDCO - METAL  
HORIZONTAL LAP  
CLASSIC BLUE

EDCO - METAL  
BOARD AND BATTEN  
CLASSIC BLUE

SKYLINE APARTMENTS - EXTERIOR MATERIALS

JANUARY 17TH 2025





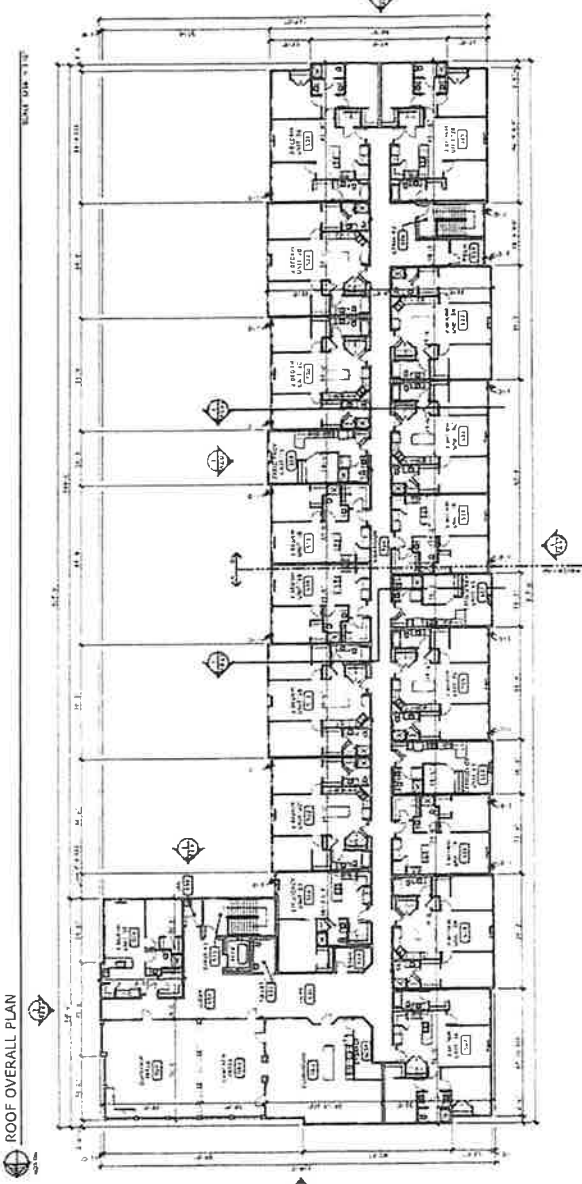
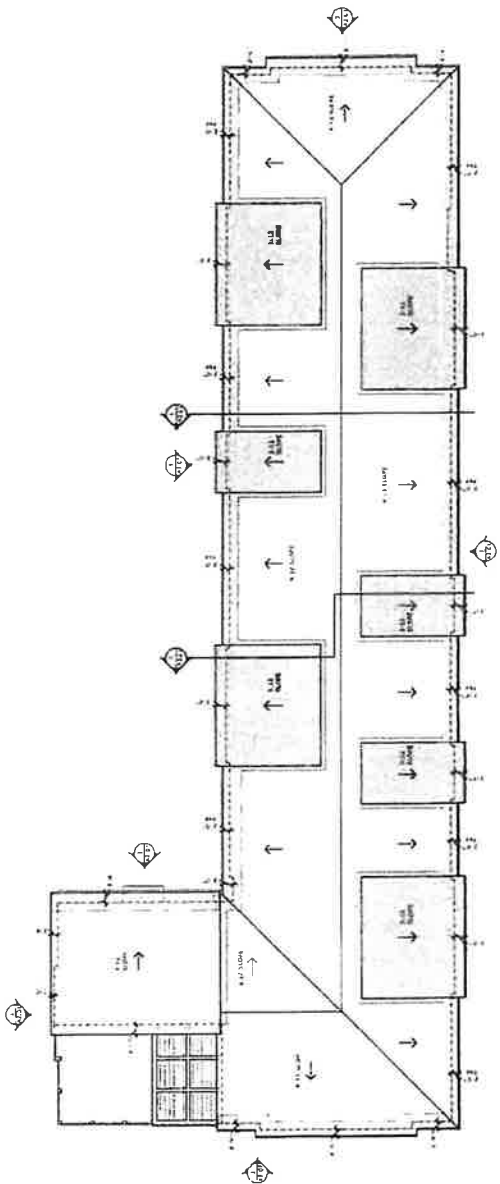


GOLDMARK  
2000 45TH ST S, SUITE 100  
FARGO, ND 58103  
701-491-2818

SKYLINE APARTMENTS - NDSU  
CORNER OF 12TH AVE N & 18TH ST N  
FARGO, NORTH DAKOTA

PROJECT NO. 22-008  
DATE FEB 12, 2025  
DRAWN BY MEV  
CHECKED BY NGV  
DOCUMENT PHASE  
FIFTH FLOOR &  
ROOF OVERALL  
PLANS

A1.03



UNIT MATRIX						
UNITS	1ST	2ND	3RD	4TH	5TH	TOTAL
EFF.	0	4	4	5	4	17
1 BED	0	7	7	5	5	24
2 BED	0	0	0	0	0	0
3 BED	0	0	0	0	0	0
TOTAL AP'T UNITS	0	11	11	10	9	41

- GENERAL NOTES
1. REFER TO THE NDSU ARCHITECTURAL SPECIFICATIONS FOR THE LATEST EDITION.
  2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
  3. ALL FINISHES ARE TO BE AS SHOWN ON THE FINISH SCHEDULE.
  4. ALL ROOFING IS TO BE AS SHOWN ON THE ROOFING SCHEDULE.
  5. ALL MECHANICAL EQUIPMENT IS TO BE AS SHOWN ON THE MECHANICAL SCHEDULE.
  6. ALL ELECTRICAL EQUIPMENT IS TO BE AS SHOWN ON THE ELECTRICAL SCHEDULE.
  7. ALL PLUMBING EQUIPMENT IS TO BE AS SHOWN ON THE PLUMBING SCHEDULE.
  8. ALL HVAC EQUIPMENT IS TO BE AS SHOWN ON THE HVAC SCHEDULE.
  9. ALL FIRE PROTECTION EQUIPMENT IS TO BE AS SHOWN ON THE FIRE PROTECTION SCHEDULE.
  10. ALL SECURITY EQUIPMENT IS TO BE AS SHOWN ON THE SECURITY SCHEDULE.
  11. ALL ACCESSIBILITY REQUIREMENTS ARE TO BE AS SHOWN ON THE ACCESSIBILITY SCHEDULE.
  12. ALL ENERGY EFFICIENCY REQUIREMENTS ARE TO BE AS SHOWN ON THE ENERGY EFFICIENCY SCHEDULE.
  13. ALL SUSTAINABILITY REQUIREMENTS ARE TO BE AS SHOWN ON THE SUSTAINABILITY SCHEDULE.
  14. ALL OTHER REQUIREMENTS ARE TO BE AS SHOWN ON THE OTHER SCHEDULE.

**ATTACHMENT B**  
**PHOTOS OF EXISTING CONDITIONS**

# **RENEWAL PLAN**

## **District 2018-03**

### **Site Photos**





photo 2018

1141 18<sup>th</sup> Street North



photo 2018

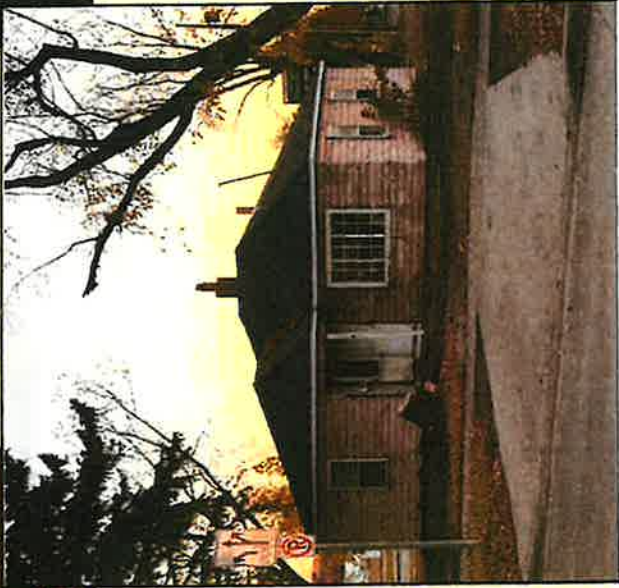


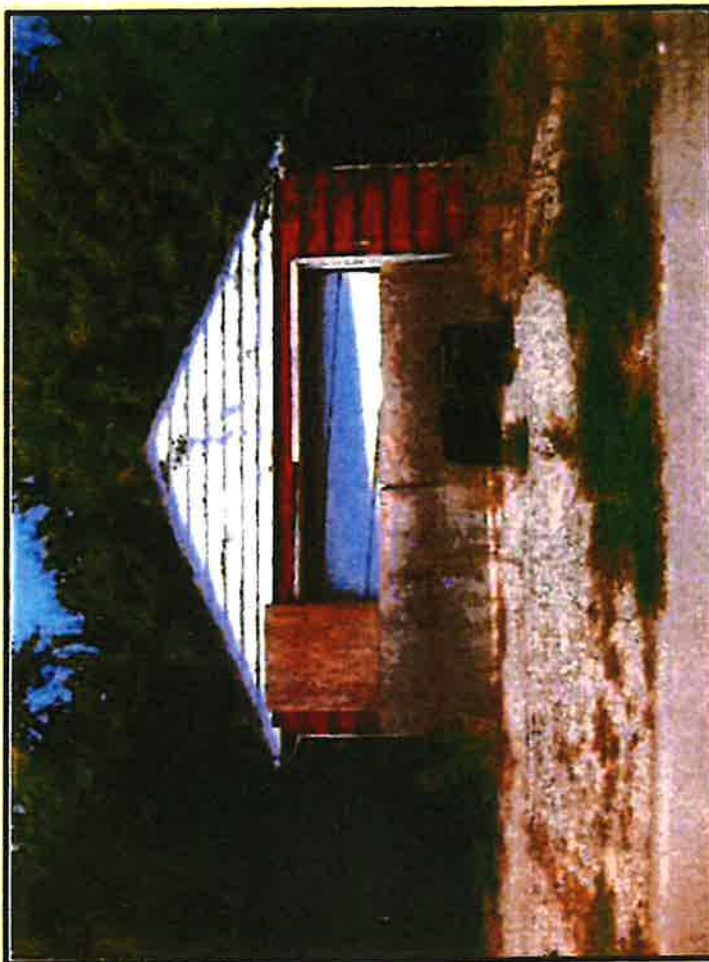
photo 2024

1137 18<sup>th</sup> Street North  
photos 2018





1133 18<sup>th</sup> Street North 1 of 2  
photos 2018





1133 18<sup>th</sup> Street North 2 of 2  
photos 2018





photo 2018



photo 2018

1129 18<sup>th</sup> Street North



photo 2024





photo 2018

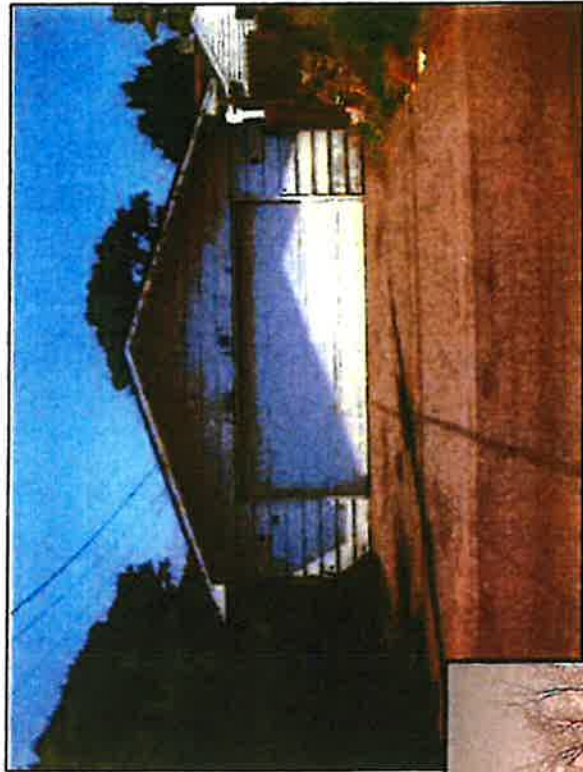


photo 2018

1125 18<sup>th</sup> Street North



photo 2024



photo 2018

1121 18<sup>th</sup> Street North



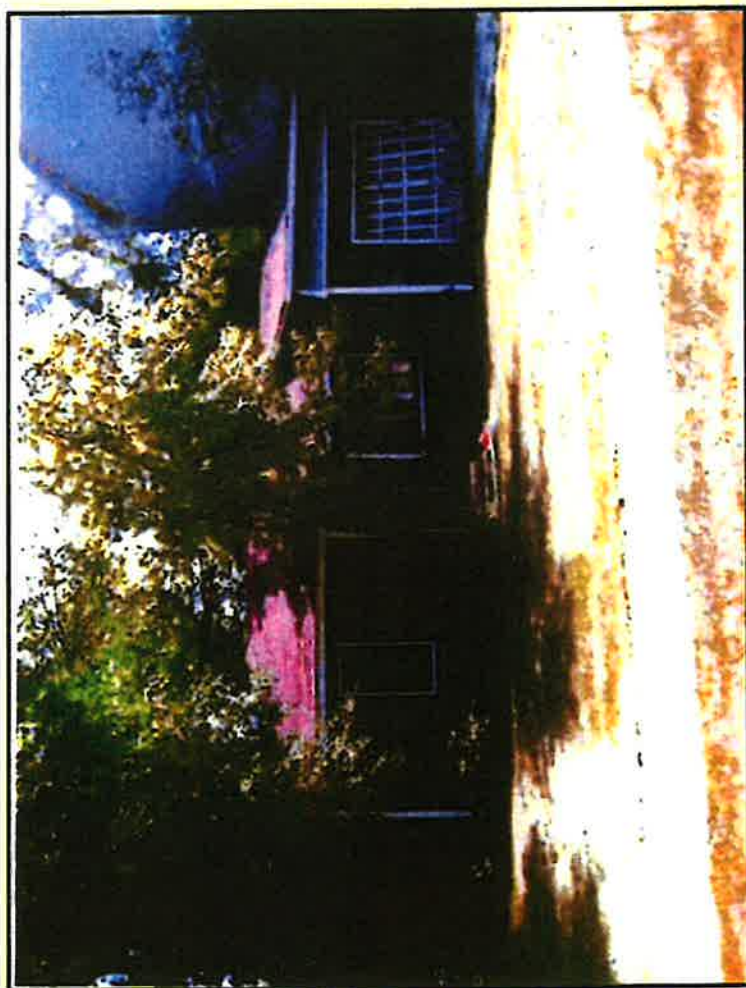
photo 2018

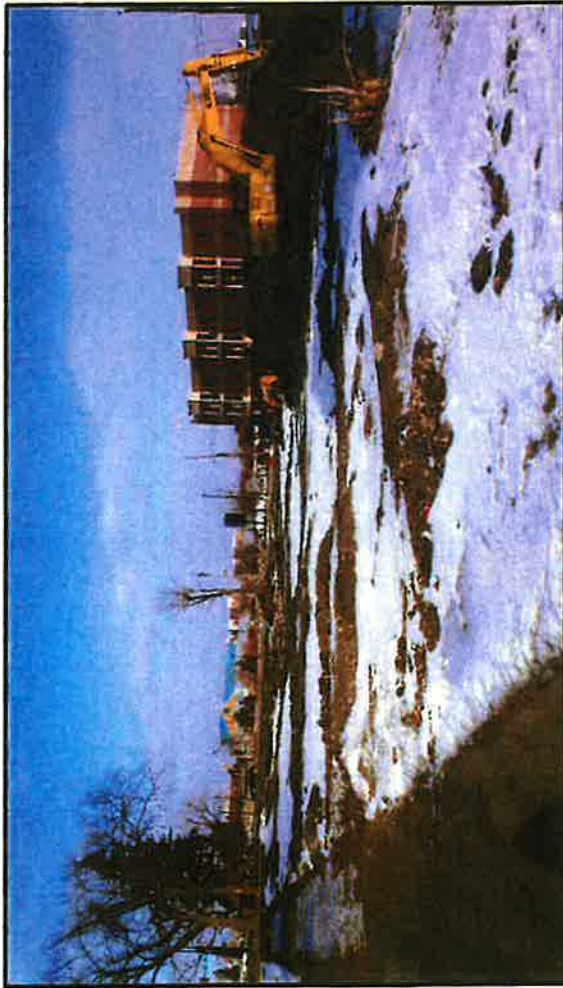


photo 2024



1117 18<sup>th</sup> Street North  
photos 2018





All residences have been demolished.  
photos January, 2025

←Facing northeasterly across the subject property  
from 18<sup>th</sup> Street North.



Facing southwesterly across the subject property →  
from the intersection of the alley and 12<sup>th</sup> Avenue  
North.

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**RENEWAL PLAN**

**DISTRICT NO. 2018-03**

**CITY OF FARGO, NORTH DAKOTA**

**September, 2018**

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## **RENEWAL PLAN FOR TAX INCREMENT DISTRICT NO. 2018-03**

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

### Subsection 1.1. Definitions.

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

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

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

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

"County" means Cass County, North Dakota.

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

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

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

"State" means the State of North Dakota.

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

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

"Tax Increment Financing District" or "TIF District" means Tax Increment Financing District No. 2018-03.

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



Subsection 1.2. Statutory Authority.

The creation of the Renewal Area is authorized by the Urban Renewal Law. Specifically the creation of the Renewal Area is authorized under North Dakota Century Code, Sections 40-58-01.1(7) and (14), which provide that the local governing body may designate industrial or commercial property, a slum or blighted area, or combination of these properties as appropriate for a development or renewal project.

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

Subsection 1.3. Statement of Public Purpose

In adopting the Renewal Plan 2018-03, the City Commission intends to make the following findings:

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

**Factual basis:** This Renewal Area is blighted due to the presence of deteriorated or deteriorating structures (unsound basements or foundations, inadequate roofing, deteriorated siding and windows) which substantially impairs the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. Photos of the Renewal Area can be found in Attachment A.

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

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

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

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

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

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

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

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

#### Subsection 1.4. Description of Renewal Area

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

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

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

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

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

#### Subsection 1.5. Demolition of Structures and Redevelopment

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

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

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

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

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

These costs represent estimated costs for planning purposes, and may be different when this plan is implemented with a development agreement. The development agreement costs will be determined after a review by City financial advisors. The maximum allowed costs will be specified in the development agreement.

#### Subsection 1.6. Land Use Attributes.

- (a) **Zoning.** The property is zoned UMU (University Mixed Use). No zoning or platting changes are required to allow redevelopment on these properties.
- (b) The property is zoned UMU ((University Mixed Use), which allows commercial and requires residential density of 18 units per acre.
- (c) **Building Requirements.** All properties within this district are subject to the provisions of the City of Fargo Building Codes and the Land Development Code.
- (d) **Plan relationship to land use objectives** (land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.) The land use objective for this project complies with the UMU (University Mixed Use) zoning district, the redevelopment goals of the GO 2030 Comprehensive Plan and the Roosevelt Neighborhood Plan. The development provides for new residential dwelling units within an existing residential neighborhood.

#### Subsection 1.7. Redevelopment and Financing

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

The City anticipates that implementation of this Renewal Plan may involve certain public costs. Under North Dakota Century Code, Sections 40-58-20 and 40-58-20.1 allow the use of funds received from tax increments to be applied to certain specified costs. If the City decides to provide costs those costs would be for property acquisition, demolition and site cleanup, and public works improvements.

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

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

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

#### Subsection 1.8. Renewal Plan Amendments

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

1141 18<sup>th</sup> St N

ATTACHMENT A





1137 18<sup>th</sup> St N



1133 18<sup>th</sup> St N





1133 18<sup>th</sup> St N





1129 18<sup>th</sup> St N



1125 18<sup>th</sup> St N





1121 18<sup>th</sup> St N



1117 18<sup>th</sup> St N

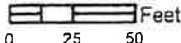






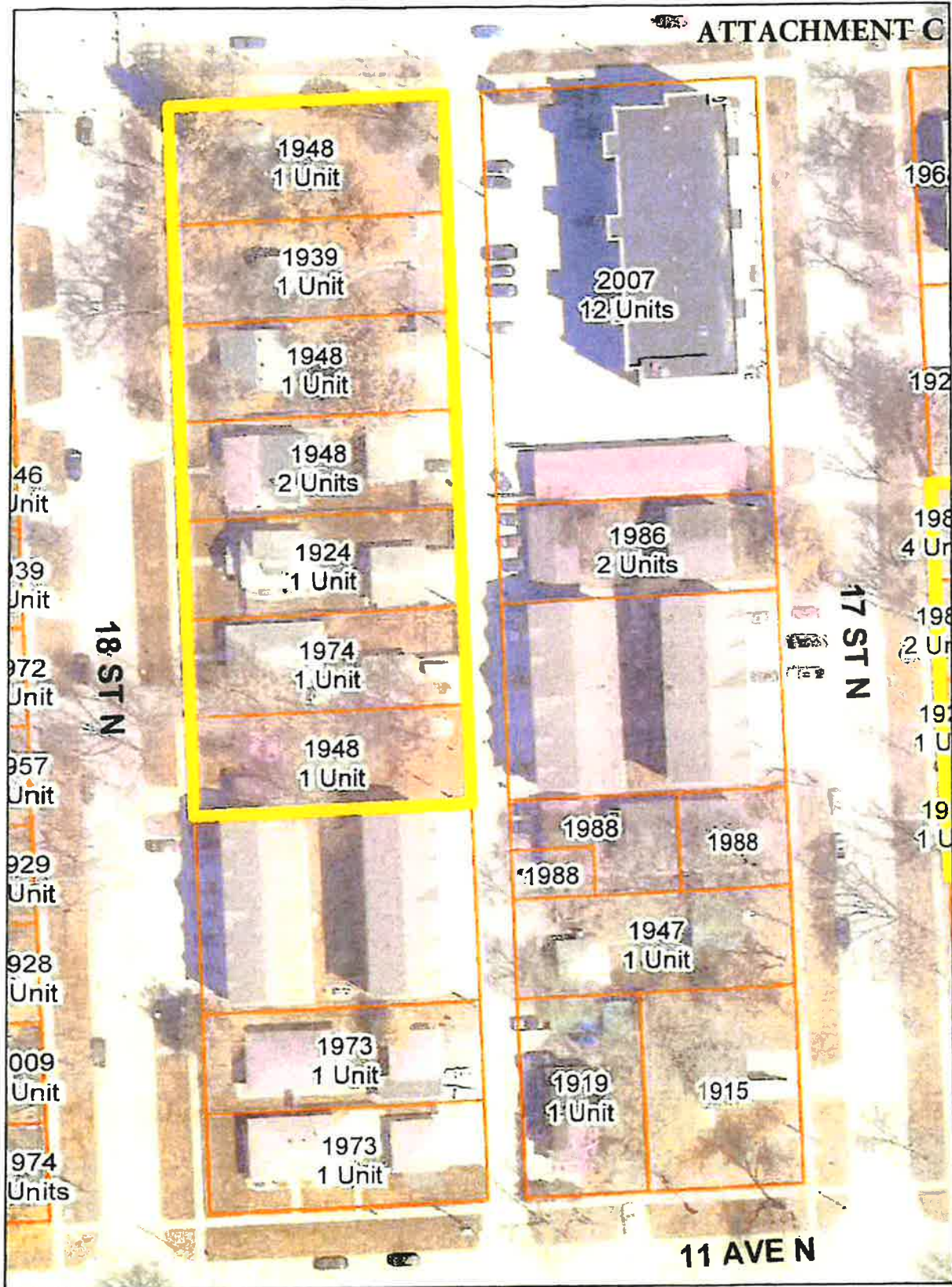
 Renewal Area

**Renewal Area 2018-03**  
Zoning

 Feet  
0 25 50



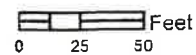




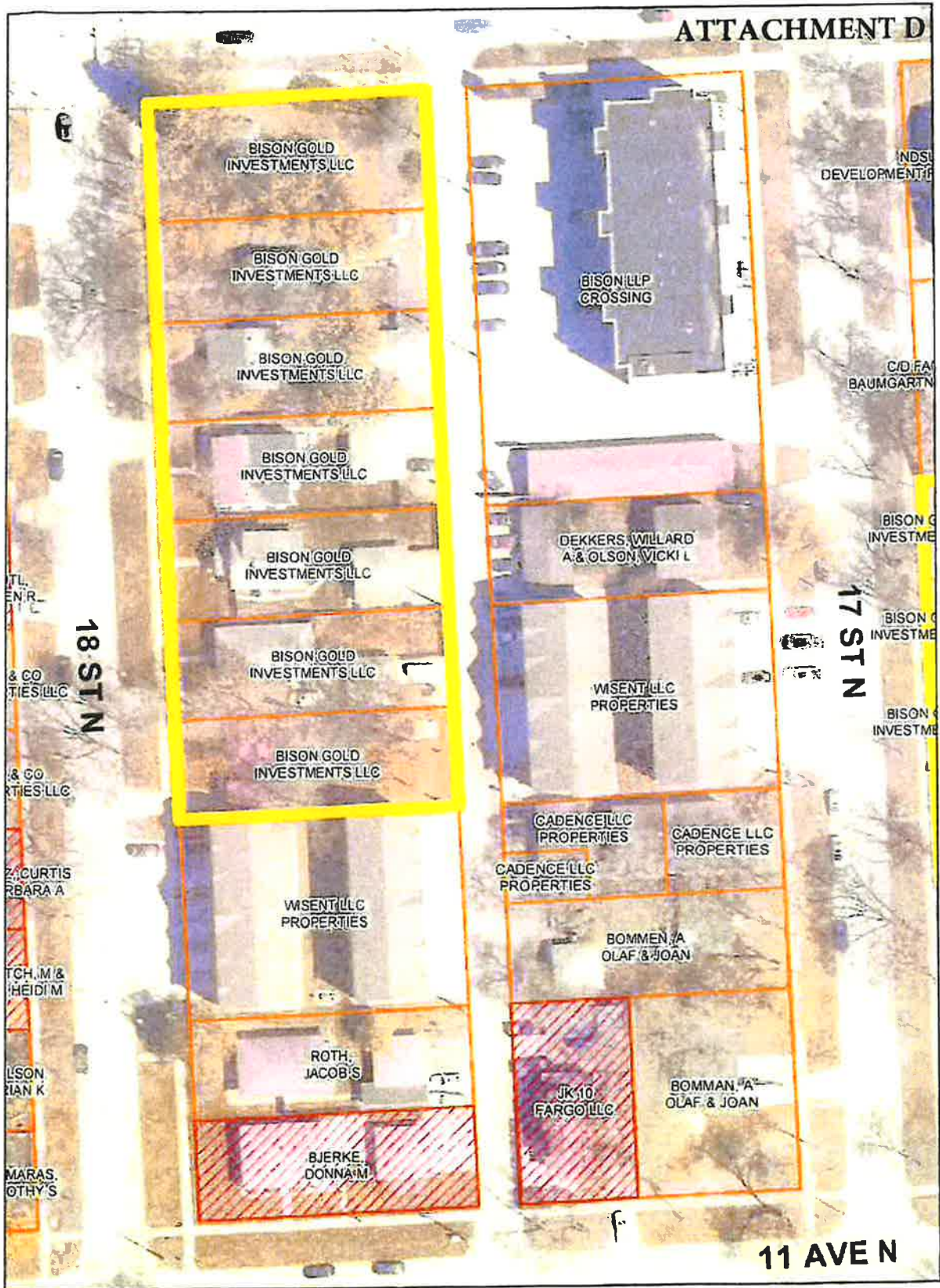
 Renewal Area



## Renewal Area 2018-03

### Year Built & Unit Count

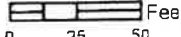






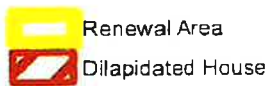
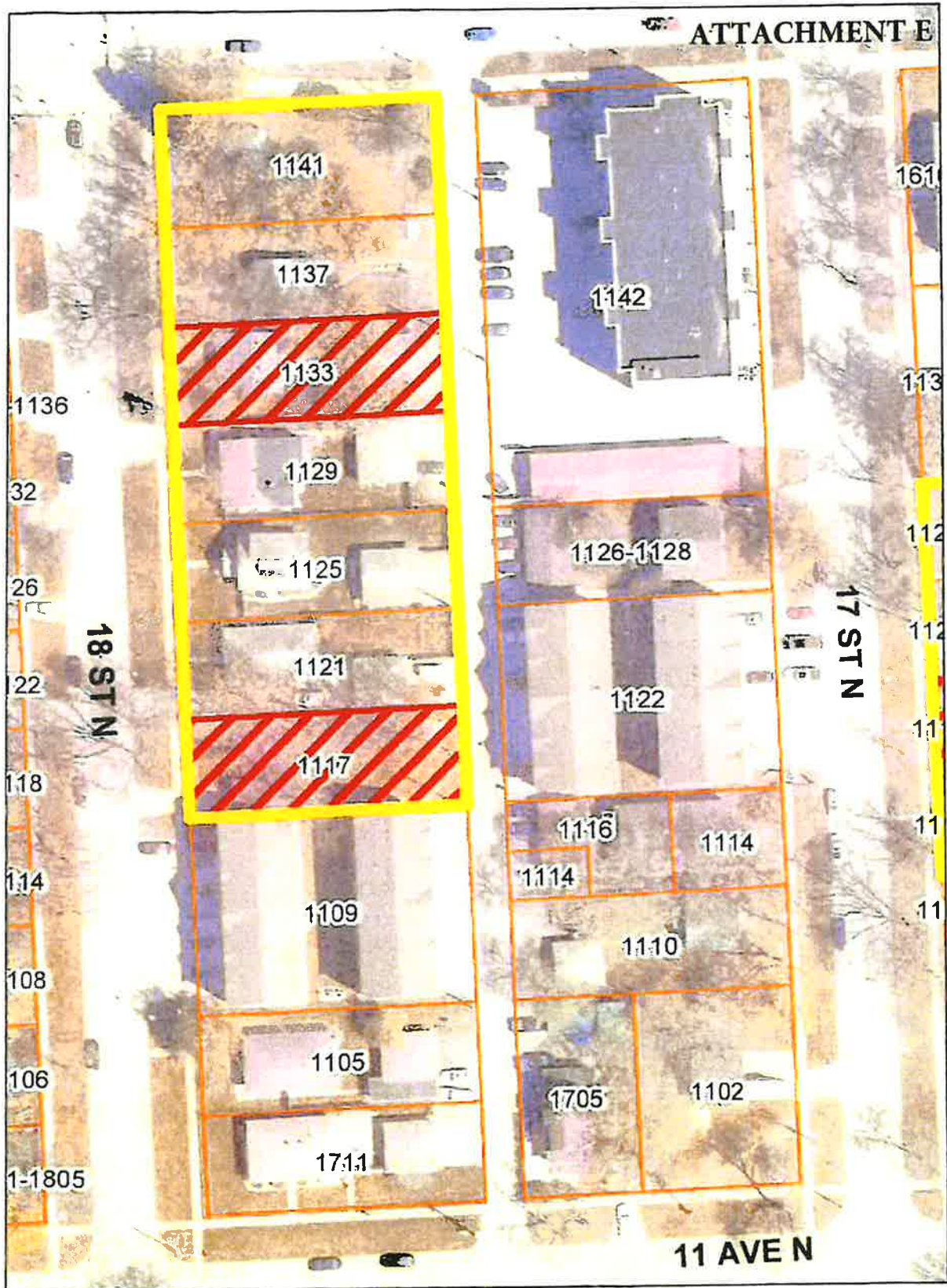
 Renewal Area  
 Owner Occupancy

Renewal Area 2018-03

 Feet  
0 25 50







**Renewal Area 2018-03**  
Dilapidated Houses to be Demolished

0 25 50 Feet



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DEVELOPER AGREEMENT

By and Between

CITY OF FARGO, NORTH DAKOTA,

a North Dakota Municipal Corporation

and

Skyline, LLC,

a North Dakota limited liability company

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TABLE OF CONTENTS

ARTICLE I **Definitions** ..... 1

ARTICLE II **Representations, Warranties and Covenants**..... 5

ARTICLE III **Completion of Improvements; Reimbursement of Certain Costs** ..... 8

ARTICLE IV **Construction Of Minimum Improvements** ..... 12

ARTICLE V **Insurance And Condemnation** ..... 14

ARTICLE VI **Reserved.** ..... 15

ARTICLE VII **Mortgage Financing** ..... 16

ARTICLE VIII **Prohibitions Against Assignment And Transfer; Indemnification** ..... 18

ARTICLE IX **Events of Default** ..... 21

ARTICLE X **Additional Provisions**..... 24

ARTICLE XI **Termination of Agreement; Expiration** ..... 26



## DEVELOPER AGREEMENT

### City of Fargo - Skyline, LLC

THIS AGREEMENT, dated as of the \_\_ day of \_\_\_\_\_, 2025 ("Effective Date"), is by and between the City of Fargo, a North Dakota municipal corporation, and Skyline, LLC, a North Dakota limited liability company whose address is 200 45<sup>th</sup> Street South, Suite 200, Fargo, ND 58103; 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.

"Available Tax Increments" means the Developer Tax Increments minus the reasonable and not theretofore reimbursed actual expenses incurred by the City in establishing and maintaining the TIF District, in preparing and implementing this Agreement, and in general in administering the TIF District and this Agreement and any supplements hereto and in participating in the actions or transactions contemplated thereby and hereby.

"Certificate of Completion" means a certification in the form of the certificate attached hereto as Exhibit F and hereby made a part of this Agreement, provided to the Developer pursuant to Section 4.4 of this Agreement.

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

"Closing Date" means the date Developer closes with its institutional lender on its financing of the Minimum Improvements.

"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 Tax Increment Note that represents the sum of the products of the various eligible expenses initially borne by Developer and the City that will be reimbursed by the Tax Increment Note multiplied by an interest rate of Four and 90/100ths Percent (4.90%) per annum, simple interest, multiplied by the number of years, or fraction thereof, between the date such expense was incurred to the date of the Tax Increment Note.

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

"Developer Tax Increments" means the portion of Developer's Taxes which constitutes Tax Increments, or the portion of Tax Increments derived from Developer's Taxes.

"Developer's Taxes" means taxes paid with respect to the portions of the Development Property and Improvements completed by the Developer for the eleventh (11th) Tax Year and earlier Tax Years. Taxes for the twelfth (12th) year following the first Tax Year, or for any subsequent year, are not included as Developer's Taxes.

"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 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 initially approved in 2018 as Renewal Plan 2018-03, the amendment of which was approved by the City on March 31, 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 actually executed and delivered.

"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.

"Improvements" means the improvements constructed or to be constructed by the Developer on the Development Property, including all related landscaping, lighting, parking, and

other site improvements. The Improvements may exceed, but shall not be less than, the Minimum Improvements, as provided in Section 4.1.

"Maturity Date" means the date that is three (3) years from the Payment Date for the eleventh Tax Year following the date of the issuance of the Tax Increment Note.

"Minimum Improvements" means the improvements contemplated by and in accordance with this Agreement and generally 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 construction of the Minimum Improvements.

"Net Proceeds" means any proceeds paid by an insurer to the Developer or City under a policy or policies of insurance required to be provided and maintained by the Developer pursuant to Article V of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.

"Party" means either the Developer or City.

"Parties" means the Developer and the City.

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

"Specified Event of Default" means an Event of Default for which the City may withhold payment on the Tax Increment Note. Such Event of Default consists of a default of the Developer after the issuance of the Tax Increment Note in the Developer's ongoing covenants set forth in Sections 8.1, and 8.2.

"Tax Increment Note" means the City's Tax Increment Revenue Note in the initial principal amount of \$1,981,600 or in a lesser initial principal amount that represents reimbursement of eligible costs paid by the Developer as described in this Agreement, plus Capitalized Interest at 4.90% per annum, the form of which is attached as Exhibit C to this Agreement, issued when conditions set forth in Section 3.3 are met.

"Tax Increments" means those tax increments which the City shall be entitled to receive and retain, and which the City shall have actually received from Cass County, from time to time from the TIF District pursuant to the Urban Renewal Law.

"Tax Year" is one of a maximum of eleven (11) successive calendar years, with the first year being the year that, pursuant to this Agreement, the Tax Increment Note is issued and with the subsequent years being the ten (10) subsequent calendar years. The eleventh (11th) Tax Year, therefore, is the tenth (10th) 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 “TIF District 2018-03” or the “District” under the City's Development Plan in the version most recently approved by the Board of City Commissioners of the City of Fargo on March 31, 2025, as the same may be further 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 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, including epidemic-related government lockdowns, 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 construction, operation and maintenance of the 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 construction of the 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 Improvements may be lawfully constructed and completed.

(f) To the best knowledge and belief of the Developer, the construction of the Improvements on the Development Property within the reasonably foreseeable future is

conditioned on the assistance and benefit to the Developer provided for in this Agreement. The Developer would not undertake the Project 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 construction and operation 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 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 construction of the Minimum Improvements, when combined with the value of the Development Property, to generate an estimated minimum market value of Eleven Million Dollars (\$11,000,000).

(m) The Developer expects that, barring Unavoidable Delays, the Project will be substantially completed by September 30, 2026.

(n) As of the Closing Date, the Developer shall have binding arrangements for all the equity and loan financing necessary to complete the Minimum Improvements.

(o) As of the Closing Date, the Developer shall have submitted to the City Construction Plans for the Improvements as described in Section 4.1.

(p) As of the Closing Date, the City shall be satisfied in its reasonable judgment that the Developer has firm arrangements for financing construction or acquisition of the Project in an amount sufficient, together with equity commitments, to complete the Project in conformance

with such Construction Plans, or the City shall receive such other evidence of financial ability as in the reasonable judgment of the City is required.

(q) As of the Closing 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.

(r) As of the Closing 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 Improvements; Reimbursement  
of Certain Costs**

Section 3.1. **Completion of Improvements by Developer.** Subject to Unavoidable Delays as provided in Section 4.2, below, the Developer shall have substantially completed the Improvements by September 30, 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. Intentionally Left Blank.

Section 3.3. **Reimbursement by City of Certain Costs; Terms of Tax Increment Note.** The Developer hereby represents to the City that the Developer has incurred and paid and will incur and pay significant Development Costs. The reimbursements that establish the principal balance of the Tax Increment Note whose principal and interest are payable to the Developer shall be as follows. The City hereby agrees to defray a portion of the Development Costs up to \$1,981,600, as follows:

1. Property Acquisition	\$ 1,206,600
2. Demolition & Site Cleanup	\$ 375,000
3. Environmental Site Cleanup	\$ 250,000
4. Public Works Improvements	\$ 100,000
5. Advance administrative Costs (Fees)	<u>\$ 50,000</u>
Total	\$ 1,981,600

For purposes of the above-described Development Costs, eligible costs for Demolition and Site Cleanup shall include, without limitation, soil remediation, building/basement removal, asbestos removal, engineering and other consultant fees, topographic, infrastructure removal, site paving removal, soil excavation and site fill, including reasonable fees and overhead charges and eligible costs for public works improvements, which shall include, without limitation, storm water infrastructure/detention, grading, including reasonable consultants' costs and fees and including reasonable overhead charges. The demolition and site cleanup and public works improvement costs may be transferred between categories provided that the total costs eligible for reimbursement will not exceed \$1,981,600. Property acquisition is capped at the stated \$1,206,600. Total development costs are capped at \$1,981,600 (including the stated administrative fee of \$50,000). The advance administrative fee of \$50,000, set forth above, will be paid by Developer to the City at the time of issuance of the Tax Increment Note. In addition, an annual administrative fee equal to five percent (5%) of the annual increment received from



the County Auditor shall be retained by the City prior to remittance to Developer of said increment as payment on the Tax Increment Note.

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. In addition to the foregoing costs, Developer shall be entitled to reimbursement over and above the foregoing eligible expenses an agreed upon interest rate of Four and 90/100ths Percent (4.90%) Per Annum to be paid to Developer under the Tax Increment Note. All of the said costs, and interest, meet the representation set forth at Section 2.2(g) by issuing the Tax Increment Note, substantially in the form of Exhibit C to this Agreement, subject to the following conditions:

(a) There shall be one (1) Tax Increment Note. The principal amount of the Tax Increment Note shall be determined by adding the \$1,981,600 (or so much thereof as shall be demonstrated as set forth in Section 3.3(d)) plus a sum equal to Capitalized Interest. The Tax Increment Note shall provide for payments to be made by the City to Developer of Developer's Tax Increment received by the City from the County for the Project for the first Tax Year and for each of ten (10) subsequent Tax Years, with payments to be made annually on the Payment Dates, it being further provided that Available Tax Increment exists pertaining to the eleventh (11th) or earlier Tax Years

(b) The Tax Increment Note shall be delivered only if no Event of Default shall have occurred and be at the time continuing.

(c) This subsection intentionally left blank.

(d) If the conditions set forth in this Section are met, the Tax Increment Note shall be dated, issued and delivered when the Certificate of Completion has been delivered and when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the Developer has incurred and paid eligible costs of the Improvements to be borne by Developer which will not be otherwise reimbursed or paid hereunder. Demonstration of eligible costs of Improvements up to the maximum amount of the Tax Increment Note 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 Improvements have been incurred, together with lien waivers and evidence satisfactory to the City of the nature and amount of the costs of the Improvements and of the costs incurred by the Developer. Each certification shall demonstrate the specific purpose and amount of the costs of the 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 the city attorney's office after consultation with the Developer or its counsel, be conclusive. The delivery of the Tax Increment Note itself constitutes reimbursement of expenditures in an amount equal to the principal amount of the Tax Increment Note; there are no monetary proceeds received by Developer upon delivery of the Tax Increment Note.

(e) Subject to the provisions of the Tax Increment Note, the principal of and interest on the Tax Increment Note shall in the aggregate be payable on May 15<sup>th</sup> following the date of issuance of the Tax Increment Note and on May 15<sup>th</sup> of each year thereafter until the Maturity Date, said May 15<sup>th</sup> dates being referred to herein as the "Payment Date" or collectively as the "Payment Dates". The first payment on the Tax Increment Note, to become due and payable on the first Payment Date, shall be limited to all the Available Tax Increments received to said date by the City on the Project. For all payments after said first payment on the Tax Increment Note, the amounts payable on the Tax Increment Note on each Payment Date shall be limited to the Available Tax Increments received by the City since the prior year's Payment Date. All payments made on the Tax Increment Note shall be applied first to pay accrued and unpaid interest on the Tax Increment Note and second toward payment of principal. **To the extent that the Available Tax Increments are insufficient, through the Maturity Date, to pay all accrued and unpaid interest on and the principal of the Tax Increment Note, said unpaid amounts shall then cease to be any debt or obligation of the City or of the City whatsoever.**

(f) The unpaid principal of the Tax Increment Note shall bear interest at Four and 90/100ths Percent (4.90%) per annum from the date of issuance, compounded annually. Interest shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each.

(g) The City expresses no opinion in particular as to whether, or not, the interest income from any such TIF Revenue Note is exempt from federal income taxation, but it is assumed that the Tax Increment Note will be a "taxable" obligation.

(h) The Tax Increment Note shall be a special and limited revenue obligation of the City and not a general obligation of the City, and only Available Tax Increments received by the City shall be used to pay the principal of and interest on the Tax Increment Note. [Note: See definition of "Available Tax Increments", above.]

(i) The Tax Increment Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit C. In the event of any conflict between the terms of the Tax Increment Note and the terms of this Section 3.3, the terms of the Tax Increment Note shall govern. No payments will be made on the Tax Increment Note during such time as there is a Specified Event of Default that has not been cured by the Developer.

(j) In connection with the issuance of the Tax Increment Note, and as conditions to such issuance, the Developer shall be provided with a Private Placement Memorandum and shall execute a receipt in a form acceptable to the City stating that it has relied on its own determinations in acquiring the Tax Increment Note and not on representations or information provided by the City.

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

#### 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 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 paragraph (a) shall only apply to claims made prior to the issuance of a Certificate of Completion.

(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 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. **Intentionally left blank.**

Section 3.6. **Use of Tax Increments.**

The City receives the Tax Increments generated by the TIF District from the County. The City may use Tax Increments which are not Developer Tax Increments for any purpose permitted by law. Developer Tax Increments shall be used on any date of application for the following purposes in the following order of priority:

- (a) to make payments on the Tax Increment Note; and
- (b) after payment of the Tax Increment Note in full, to pay or reimburse redevelopment costs identified by the City and to pay other eligible expenses for other projects that may be approved for the TIF District, from time to time, by the governing body of the City.

## ARTICLE IV

### **Construction Of Minimum Improvements**

Section 4.1. **Completion of Minimum Improvements.** The Minimum Improvements shall consist of the demolition of seven 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 eighty-eight (88) 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 Construction.** Subject to Unavoidable Delays and, having already undertaken most if not all of the demotion and site work, by October 1, 2025, the Developer shall have commenced the construction of the Improvements, and by September 30, 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 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 complete construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.2. Until construction of 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 construction of the Minimum Improvements.

The Developer agrees that it shall permit designated representatives of the City to enter upon the Development Property during the construction of the Minimum Improvements to inspect such construction, after reasonable notice to Developer and at City's risk, to determine compliance with this agreement. This paragraph 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 **Certificate of Completion.** Promptly after completion of the Minimum Improvements to be completed by Developer in accordance with the provisions of this Agreement, the City will furnish the Developer with a Certificate of Completion, in substantially the form set forth in Exhibit F attached hereto. 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 construct the Minimum Improvements to be completed by Developer.



If the City shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section 4.3, the City shall, within twenty (20) 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 Minimum Improvements 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.

## 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) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis" in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy; the interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City;

(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.

**Section 5.2. Condemnation.** In the event that title to and possession of the Improvements, or any material part thereof, but solely as to the Development Property and Improvements 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) 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 issuance of the Tax Increment Note, 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 partnership 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 Tax Increment Note:

(a) Subject to Article VII and Section 8.2(c) of this Agreement, except (i) only by way of security for, and only for, the purpose of obtaining financing (including construction loans secured by the Project, and loans secured by the Tax Increment Note) 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, (ii) for a transfer of a portion of the Development Property to a separate entity that controls, is controlled by, or is under common control with, Developer, or (iii) for 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 the construction of the Minimum Improvements; 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 construction of the Minimum Improvements, 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 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 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 constructed and operated 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 Improvements are not substantially completed by September 30, 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, in a material respect, 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, upon written notice, suspend its performance (other than the payment of the Tax Increment Note, except as provided below for a Specified Event of Default) 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 payments on the Tax Increment Note, 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. **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 9.4. **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 9.5. 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 Skyline, LLC, 200 45<sup>th</sup> Street South, Suite 200, Fargo, ND 58103, Attention: Shannon Roers Jones, its \_\_\_\_\_; and,

(b) in the case of the City, to the City at 225 4<sup>th</sup> Street North, North Dakota 58102, Attention: Director of Strategic Planning and Research AND to the City at 225 North 4<sup>th</sup> 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. 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 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 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 uncured Event of Default shall have occurred hereunder and be continuing following notice as set forth in Section 9.2. 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 Tax Increment Note is paid in full or, if earlier, on the Maturity Date.

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 \_\_\_\_\_, 2025, 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  
City of Fargo  
701-371-6850

Dated \_\_\_\_\_

Skyline, LLC

By \_\_\_\_\_,  
\_\_\_\_\_, its: \_\_\_\_\_

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by \_\_\_\_\_, the \_\_\_\_\_ of Skyline, 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), Skyline Addition to the City of Fargo.

The property address is \_\_\_\_\_, Fargo, ND 58102.



**EXHIBIT B**

INTENTIONALLY LEFT BLANK.

**EXHIBIT C**

**FORM OF TAX INCREMENT NOTE**

No. R-1

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF NORTH DAKOTA  
CASS COUNTY  
CITY OF FARGO

TAX INCREMENT  
REVENUE NOTE OF 20\_\_\_\_  
(TAX INCREMENT DISTRICT 2018-03 PROJECT)

KNOW ALL PERSONS BY THESE PRESENTS that the City of Fargo, Cass County, North Dakota (the "City"), certifies that it is indebted and for value received promises to pay to Skyline, LLC, a North Dakota limited liability company (the "Developer"), or the registered assign, the principal sum of \_\_\_\_\_ Million \_\_\_\_\_ Hundred \_\_\_\_\_ Thousand and no/100 Dollars (\$\_\_\_\_\_,000.00), an amount issued in reimbursement of eligible costs paid by the Developer, unless due sooner by redemption or early payment, on the Maturity Date defined below; but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided; and to pay interest on the unpaid principal amount of this Note at the rate of interest of Four and 90/100ths Percent (4.90%) per annum, compounded annually. Interest shall accrue from the date of this Note on the amount issued and shall be computed on the basis of a 360-day year consisting of 12 30-day months. This Note is the "Tax Increment Note" (the "Note") described and defined in that certain Developer Agreement, dated as of \_\_\_\_\_, 20\_\_\_\_ (as the same may be amended from time to time, the "Developer Agreement"), by and between the City and Skyline, LLC, a North Dakota limited liability company, as the initial Developer under the Developer Agreement. Each capitalized term which is used but not otherwise defined in this Note shall have the meaning given to that term in the Developer Agreement or in the resolution authorizing the issuance of this Note. Principal and interest are payable at such address as shall be designated in writing by Skyline, LLC, or other registered holder of this Note, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Payment Dates. Subject to the terms hereof, the principal of and interest on the Tax Increment Note shall in the aggregate be payable on May 15<sup>th</sup> following the date of issuance of the Tax Increment Note and on May 15<sup>th</sup> of each year thereafter until the Maturity Date, said May 15<sup>th</sup> dates being referred to herein as the "Payment Date" or collectively as the "Payment Dates".

Payment Amounts. On each Payment Date (or, if not a business day of the City, the first business day thereafter) the City shall pay by check or draft mailed to the person that was the Registered Owner of the Note at the close of the last business day of the City preceding such Payment Date an amount as follows: (a) the first payment on the Tax Increment Note, to become due and payable on the first Payment Date, shall be limited to all the Available Tax Increments received to said date by the City on the Project and (b) for all payments after said first payment on the Tax Increment Note, the amounts payable on the Tax Increment Note on each Payment Date shall be limited to the Available Tax Increments received by the City since the prior year's Payment Date. All payments made on the Tax Increment Note shall be applied first to pay accrued and unpaid interest on the Tax Increment Note and second toward payment of principal. To the extent that the Available Tax Increments are insufficient, through the Maturity Date, to pay all accrued and unpaid interest on and the principal of the Tax Increment Note, said unpaid amounts shall then cease to be any debt or obligation of the City or of the City whatsoever. In no event shall any City be obligated to remit payment of principal in excess of the aggregate amount of the unpaid principal of the Note. The City shall have the option at any time to prepay in whole or in part the principal amount of this Note at par plus accrued interest. All payments made by the City under this Note shall be applied first to pay accrued and unpaid interest on this Note and second toward payment of principal hereof.

Redemption. In addition to the amounts of principal required to be paid by the City as hereinabove set forth, the City shall have the right to prepay on any date the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine upon, in multiples of \$1,000, at par plus accrued interest. Notice of any such optional prepayment shall be given prior to the prepayment date by mailing to the registered owner of this Note a notice fixing such prepayment date and the amount of principal to be prepaid.

Available Tax Increments. "Available Tax Increments" are defined in the Developer Agreement as follows:

"Developer Tax Increments minus the reasonable and not theretofore reimbursed actual expenses incurred by the City in establishing and maintaining the TIF District, in preparing and implementing this Agreement, and in general in administering the TIF District and this Agreement and any supplements hereto and in participating in the actions or transactions contemplated thereby and hereby."

"Developer Tax Increments" are defined in the Developer Agreement as follows:

"The portion of Developer's Taxes which constitutes Tax Increments, or the portion of Tax Increments derived from Developer's Taxes."

"Tax Increments" are defined in the Developer Agreement as follows:

"Tax Increments' means those tax increments which the City shall be entitled to receive and retain, and which the City shall have actually received from Cass County, from time to time from the TIF District pursuant to the Urban Renewal Law.

In addition, "Developer's Taxes" are defined in the Developer Agreement as follows:

"Developer's Taxes" means taxes paid with respect to the portions of the Development Property and Improvements completed by the Developer for the eleventh (11th) Tax Year and earlier Tax Years. Taxes for the twelfth (12th) year following the first Tax Year, or for any subsequent year, are not included as Developer's Taxes.."

In addition, "Tax Year" is defined in the Developer Agreement as follows:

"Tax Year" is one of a maximum of eleven (11) successive calendar years, with the first year being the year that, pursuant to this Agreement, the Tax Increment Note is issued and with the subsequent years being the ten (10) subsequent calendar years. The eleventh (11th) Tax Year, therefore, is the tenth (10th) calendar year following the first said year.

In addition, "Maturity Date" is defined in the Developer Agreement as follows:

"Maturity Date" means the date that is three (3) years from the Payment Date for the eleventh Tax Year following the date of the issuance of the Tax Increment Note.

In addition, Section 3.6 of the Developer Agreement provides as follows:

"The City receives the Tax Increments generated by the TIF District from the County. The City may use Tax Increments which are not Developer Tax Increments for any purpose permitted by law. Developer Tax Increments shall be used on any date of application for the following purposes in the following order of priority:

- (a) to make payments on the Tax Increment Note; and,
- (b) after payment of the City Development Costs and Tax Increment Note in full, to pay or reimburse redevelopment costs identified by the City and to pay other eligible expenses for other projects that may be approved for the TIF District, from time to time, by the governing body of the City.

**No Payment Upon Default.** No payments will be made on this Note during such time as there is an Event of Default under the Developer Agreement which has not been cured by the Developer.

Lack of Protective Covenants. The City of Fargo, North Dakota (the "City"), has not covenanted to endeavor in any fashion to cause Tax Increments to be sufficient to generate Available Tax Increments sufficient to pay this Note, nor have they covenanted to take actions under the Developer Agreement with such sufficiency as a goal.

**Sufficiency of Revenues.** The City makes no representation or covenant, express or implied, that the revenues described herein will be sufficient to pay, in whole or in part, the amounts which are or may otherwise become due and payable hereunder. Any amounts which have not become due and payable on this Note on or before the Maturity Date shall no longer be payable, as if this Note had ceased to be any debt or obligation of the City or of the City whatsoever.

**Issuance; Purpose; Special Limited Obligation.** This Note is in the aggregate principal amount of \$\_\_\_\_,\_\_\_\_,\_\_\_\_ (the "Note"), which Note has been issued pursuant to and in full conformity with the Constitution and laws of the State of North Dakota including North Dakota Century Code Chapter 40-58, for the purpose of providing money to finance certain eligible costs within the City's Urban Renewal District 2018-03, specifically the costs identified in Section 3.3 of the Developer Agreement. The Notes are payable out of the Tax Increment Revenue Note of 20\_\_\_\_-0\_\_\_\_ (SKYLINE Project) Fund of the City, to which have been pledged amounts representing Available Tax Increments to be received by the City from the City's 2018-03 Tax Increment District in the City. This Note is not any obligation of any kind whatsoever of any public body, except that this Note is a special and limited revenue obligation but not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications and limitations stated or referenced herein. Neither the full faith and credit nor the taxing powers of the City or of the City are pledged to or available for the payment of the principal of or interest on this Note, and no property or other asset of the City or of the City, save and except the above referenced Available Tax Increments, is or shall constitute a source of payment of the City's obligations hereunder.

**Limitation on Transfer.** This Note may only be transferred to a person who is (1) a successor of Skyline, LLC, by reorganization, merger or acquisition, (2) a member of Skyline, LLC, (3) to a lender of Skyline, LLC, as collateral for financing as permitted by the Developer Agreement, (4) a related person to such partner or successor, (5) a "qualified institutional buyer" as defined in Rule 144A promulgated under the federal Securities Act of 1933, or (6) an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) promulgated under the federal Securities Act of 1933. The City shall not register any transfer of this Note unless (i) a registered owner's prospective transferee delivers a representation letter in form satisfactory to the City verifying that the transferee is a "qualified institutional buyer"; or (ii) such transferee is an "accredited investor" which has delivered a representation letter in form satisfactory to the City; or (iii) the prospective transferee demonstrates to the satisfaction of the City that it is the successor, partner or related person to Skyline, LLC, noted above.

**Any registered owner desiring to effect a transfer shall, and does hereby, agree to indemnify the City against any liability, cost or expense (including attorneys' fees) that may result if the transfer is not so made.**

**Registration; Transfer.** This Note shall be registered in the name of the payee on the books of the City by presenting this Note for registration to the officer of the City performing the functions of the Treasurer, who will endorse his or her name and note the date of registration opposite the name of the payee in the certificate of registration on the reverse side hereof.



Thereafter this Note may be transferred to a bona fide purchaser who is a permitted transferee only by delivery with an assignment duly executed by the registered owner or his, her or its legal representative, and the City may treat the registered owner as the person exclusively entitled to exercise all the rights and powers of an owner until this Note is presented with such assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Treasurer of the City.

Developer Agreement. The terms and conditions of the Developer Agreement are incorporated herein by reference and made a part hereof. The Developer Agreement may be attached to this Note, and shall be attached to this Note if the holder of this Note is any person other than Skyline, LLC. No payments will be made on this Note during such time as there is a Specified Event of Default under the Developer Agreement which has not been cured by the Developer.

Taxable Obligation. This Note is intended to bear interest that is included in the gross income of the owner.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of North Dakota to be done, to happen and to be performed, precedent to and in the issuance of this Note, have been done, have happened and have been performed, in regular and due form, time and manner as required by law; and that this Note, together with all other debts of the City outstanding on the date hereof, being the date of its actual issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Fargo, a North Dakota municipal corporation, by its Board of City Commissioners has caused this Note to be executed on its behalf by the signature of its Mayor and attested by the signature of the City Auditor, all as of \_\_\_\_\_, 20\_\_.

CITY OF FARGO, a North Dakota municipal corporation

By: \_\_\_\_\_  
Dr. Tim Mahoney, its Mayor

ATTEST:

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

(SEAL)

Tax Increment Revenue Note of 20\_\_ (District 20\_\_-0\_\_)

## CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Note may be made only by the registered owner or his, her or its legal representative last noted below.

DATE OF  
REGISTRATION

REGISTERED OWNER

SIGNATURE OF  
AUTHORITY'S TREASURER

Skyline, LLC

, 20

EXHIBIT D  
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**EXHIBIT E**

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**EXHIBIT F**

**CERTIFICATE OF COMPLETION**

WHEREAS, the City of Fargo, North Dakota, a municipal corporation, (the "City") and Skyline, LLC, a North Dakota limited liability company (the "Developer") have entered into an agreement dated as of the \_\_\_\_ day of \_\_\_\_\_, 2025; 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 and recording of this certification:

NOW, THEREFORE, this is to certify that all building construction and other physical improvements 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 therein, and that the Tax Increment Note, referred to in said Developer Agreement, may be issued to Developer by the City.

CITY OF FARGO,  
a North Dakota municipal corporation

By: \_\_\_\_\_  
\_\_\_\_\_, Mayor

Attest:

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

**City of Fargo**  
**Application for Tax Increment Financing**

**Contact Information**

James Roers  
200 45<sup>th</sup> St S Suite 200  
Fargo, ND 58103  
701-356-5050  
[Jim@roers.com](mailto:Jim@roers.com)

Shannon Roers Jones  
200 45<sup>th</sup> St S Suite 200  
Fargo, ND 58103  
701-356-6418  
[shannon@roers.com](mailto:shannon@roers.com)

**General Information**

- Name and description of Corporation/Partnership:
  - Skyline LLC
- Project Location:
  - Southeast block of 18<sup>th</sup> St N and 12<sup>th</sup> Ave N Fargo ND 58102
- Project Description with conceptual plans:
  - 88 unit, 5 story apartment building with enclosed parking for 60 vehicles, 48 surface parking stalls, and associated handicap accessible improvements. Project will include improvements to sidewalks along 18<sup>th</sup> St N and 12<sup>th</sup> Ave N.
  - Conceptual Plans are attached.
- Propose Schedule:
  - Demolition of the existing structures completed Fall of 2024. Construction to begin April of 2025 with completion in June of 2026.

**Project Financials and Financing**

- Name of Developer:
  - RDG2 LLC
- Ultimate owner of development:
  - Skyline LLC
- Type of Project (Commercial, Downtown, Mixed-Use):
  - Multi-Family/Student Housing in the UMU zoning area
- Dollar request of TIF assistance:
  - Approximately \$2,033,000 – See attached '*TIF Exemption-Estimated Tax Generation*'
- Minimum of a 10-Year Proforma, showing the year in which the property is at full rent
  - Preliminary Proforma attached
- Total project cost:
  - \$21.6M
- Hard Capital Costs
  - \$18.3M
- Contributed equity:
  - \$5.4M
- Loan amount(s) with terms (anticipated rate, first maturity, final maturity):
  - Final loan package currently being finalized. \$16.2M, 6.5% interest rate with 5 year maturity with a 25 year amortization

- Number of housing units by type:
  - 88 units in total
  - 17 - Efficiency Units – Various layouts
  - 24 - 1-BR units – Various layouts
  - 35 – 2-BR units – Various layouts
  - 12 – 3-BR units – Various layouts
- Proposed rents by housing unit types:
  - Efficiency Units – \$1,200-\$1,250/month
  - 1-BR units – \$1,300 - \$1,450/month
  - 2-BR units – \$1,650 - \$1,725/month
  - 3-BR units – \$2,150 - \$2,250/month
- Detailed assumptions for any other revenues:
  - 1<sup>st</sup> floor (covered parking) - \$125 stall/month
  - On-grade parking - \$75/month
- Expenditures broken out by category:
 

Land Cost	\$ 1,330,000
Construction Cost	18,539,000
Architecture/Engineering	502,000
Financing/construction period interest	83,000
Developer Fee	900,000
Contingency	251,000
<b>Total Expenditures</b>	<b>\$ 21,605,000</b>
- Extraordinary Costs broken out by cost. (Land, demolition, public facilities)
 

Land	\$ 1,330,000
Building Demolition	375,000
Environmental	250,000
Public Works/Utilities	100,000
<b>Tota Extraordinary Costs</b>	<b>\$ 2,055,000</b>

Skyline LLC  
TIF Exemption - Estimated tax generation  
1.28.25

**Note:** Below is Roers' calculation of the estimated TIF Exemption credit that can be generated from the redevelopment of Renewal Area 2018-03. Roers expects TIF exemption to change based on Assessor's valuation of project once completed.

**1** Estimated valuation for Skyline LLC is based off of the 2024 per unit valuation of the View Apartments located at 1113 University Dr N, parcel #01-8726-00200-000

Skyline LLC ( Estimated Valuation 1)		2023 Valuation			2024 tax			Net Taxable Value	Taxable Value to Valuation	Taxes	Specials	Taxes Less Specials	Assumed Tax Rate
		Building	Land	Total	Includes	Specials							
Existing Property Value and Property Taxes	Parcel #												
	House #												
01-0100-00340-000	1141	67,600	41,800	109,400		1,550	4,923	4,50%	4,50%	1,550.03	45.09	1,504.94	31%
01-0100-00330-000	1137	77,400	35,100	112,500		1,805	5,063	4,50%	4,50%	1,804.61	258.03	1,546.58	31%
01-0100-00320-000	1133	-	35,100	35,100		771	1,580	4,50%	4,50%	771.49	283.65	487.84	31%
01-0100-00310-000	1129	165,900	35,100	201,000		3,038	9,045	4,50%	4,50%	3,038.01	283.65	2,754.36	30%
01-0100-00300-000	1125	165,000	41,800	206,800		2,840	9,306	4,50%	4,50%	2,840.46	2.31	2,838.15	30%
01-0100-00290-000	1121	144,500	41,800	186,300		2,566	8,384	4,50%	4,50%	2,566.07	2.31	2,563.76	31%
01-0100-00280-000	1117	-	35,100	35,100		771	1,580	4,50%	4,50%	771.49	283.65	487.84	31%
		620,400	265,800	886,200		13,342	39,881	4,50%	4,50%	13,342.16	1,158.69	12,183.47	30.55%

**X** 2025 and 2026 taxes based on land only value of existing 7 parcels as houses were demoed fall of 2024, and completion of the project is scheduled for June of 2026. Exemption subject to change based on assessors valuation.

**Note:** 2% increase year over year factored into the below

Period	Year	Existing Properties		TIF		Tax Payments	Tax Relief
		New Project Tax	Exemption				
	2024	12,183.47					
	2025	12,427.14	X	3,663.11		3,663.11	-
0	2026	12,675.68	X	3,736.37		3,736.37	-
1	2027	12,929.20		160,286.08	100%	-	160,286.08
2	2028	13,187.78		163,491.80	100%	-	163,491.80
3	2029	13,451.54		166,761.63	100%	-	166,761.63
4	2030	13,720.57		170,096.87	100%	-	170,096.87
5	2031	13,994.98		173,498.80	100%	-	173,498.80
6	2032	14,274.88		176,968.78	75%	44,242.19	132,726.58
7	2033	14,560.37		180,508.16	75%	45,127.04	135,381.12
8	2034	14,851.58		184,118.32	75%	46,029.58	138,088.74
9	2035	15,148.61		187,800.68	75%	46,950.17	140,850.51
10	2036	15,451.59		191,556.70	75%	47,889.17	143,667.52
11	2037	15,760.62		195,387.83	50%	97,693.92	97,693.92
12	2038	16,075.83		199,295.59	50%	99,647.79	99,647.79
13	2039	16,397.35		203,281.50	50%	101,640.75	101,640.75
14	2040	16,725.29		207,347.13	50%	103,673.57	103,673.57
15	2041	17,059.80		211,494.07	50%	105,747.04	105,747.04
15 year tax revenue		260,876.27		2,775,630.31		536,620.10	2,033,252.72

**Skyline LLC**  
**Budget for Period Ended XX34 - 16 Year Roll-out**  
**1/28/2025**  
**With TIF Exemption**

	1	2	3	4	5	6	7	8	9	10
Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Inflation	3.5%									
% vacant	15%									
Average Rent \$	1,579	1,603	1,659	1,717	1,777	1,839	1,903	1,970	2,039	2,110
Apartment Rent	894,968	1,692,246	1,751,475	1,812,776	1,876,224	1,941,891	2,009,858	2,080,203	2,153,010	2,228,365
Garage Rent	37,500	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009
On Grade Parking	17,625	42,300	43,568	44,876	46,222	47,609	49,037	50,508	52,024	53,584
Vacancy	(104,245)	(84,612)	(87,574)	(90,639)	(93,811)	(97,095)	(100,493)	(104,010)	(107,650)	(111,418)
Net Apartment Rent	645,848	1,739,934	1,800,170	1,862,495	1,926,980	1,993,702	2,062,737	2,134,166	2,208,072	2,284,541
Promotions	(8,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Pet Fees	2,500	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601
Misc/NSP/Late	1,250	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800
Amenity Space Rentals	500	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520
App Fee Revenue	6,500	8,300	8,591	8,891	9,202	9,524	9,858	10,203	10,560	10,930
Turnover Revenue	-	21,250	21,483	21,677	21,894	22,113	22,334	22,557	22,783	23,004
Total Revenues:	648,598	1,777,684	1,838,729	1,901,884	1,967,222	2,034,819	2,104,753	2,177,105	2,251,959	2,328,695
Expenses:										
Administration										
Mgmt fees	25,834	69,597	72,007	74,500	77,079	79,748	82,509	85,367	88,323	91,382
Office wages-other	6,250	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243
Advertising	4,200	10,080	10,181	10,283	10,385	10,489	10,594	10,700	10,807	10,915
Misc exp	2,625	6,300	6,363	6,427	6,491	6,556	6,621	6,688	6,754	6,822
Technology	2,875	6,900	6,969	7,039	7,109	7,180	7,252	7,324	7,398	7,472
sub-total	41,784	107,877	110,670	113,549	116,519	119,582	122,742	126,002	129,364	132,833
Maintenance										
General R&M	5,000	12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866	12,994
Plumbing	625	1,500	1,515	1,530	1,545	1,561	1,577	1,592	1,608	1,624
Electrical	750	1,800	1,818	1,836	1,855	1,873	1,892	1,911	1,930	1,949
HVAC	2,500	6,000	6,060	6,121	6,182	6,244	6,306	6,369	6,433	6,497
Maintenance Wages	10,000	24,000	24,240	24,482	24,727	24,974	25,224	25,476	25,731	25,989
Interior-common	2,500	6,000	6,060	6,121	6,182	6,244	6,306	6,369	6,433	6,497
Interior Turnover	-	25,000	25,250	25,503	25,758	26,015	26,275	26,538	26,803	27,071
Grounds/landscaping	6,000	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243
sub-total	27,375	91,300	92,213	93,135	94,066	95,007	95,957	96,917	97,886	98,865
Utilities										
Electric/Gas	26,000	65,000	65,650	66,307	66,970	67,639	68,316	68,999	69,688	70,386
Garbage	4,000	9,500	9,696	9,793	9,891	9,990	10,090	10,191	10,292	10,395
Internet	6,250	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243
Water & Sewer	8,750	21,000	21,210	21,422	21,636	21,853	22,071	22,292	22,515	22,740
sub-total	45,000	110,500	111,706	112,823	113,951	115,091	116,242	117,404	118,578	119,764
Other Income/(Expense)										
TIF Revenue	-	160,286	163,492	166,762	170,087	173,469	176,909	180,408	183,965	187,581
Insurance	(29,650)	(78,120)	(79,682)	(81,276)	(82,902)	(84,560)	(86,251)	(87,976)	(89,735)	(91,530)
Real Estate tax	(3,736)	(160,286)	(163,492)	(166,762)	(170,087)	(173,469)	(176,909)	(180,408)	(184,118)	(187,801)
sub-total	(26,114)	(78,120)	(79,682)	(81,276)	(82,902)	(84,560)	(86,251)	(87,976)	(89,735)	(91,530)
Total Operating Expenses	140,273	387,897	394,271	400,784	407,439	414,240	421,125	428,153	435,328	442,642
Operating Income	508,325	1,389,786	1,444,458	1,501,101	1,559,784	1,620,579	1,683,319	1,748,951	1,817,631	1,889,053



SKYLINE APARTMENTS - NDSU  
CORNER OF 12TH AVE N & 18TH ST N  
FARGO, NORTH DAKOTA

REVISIONS

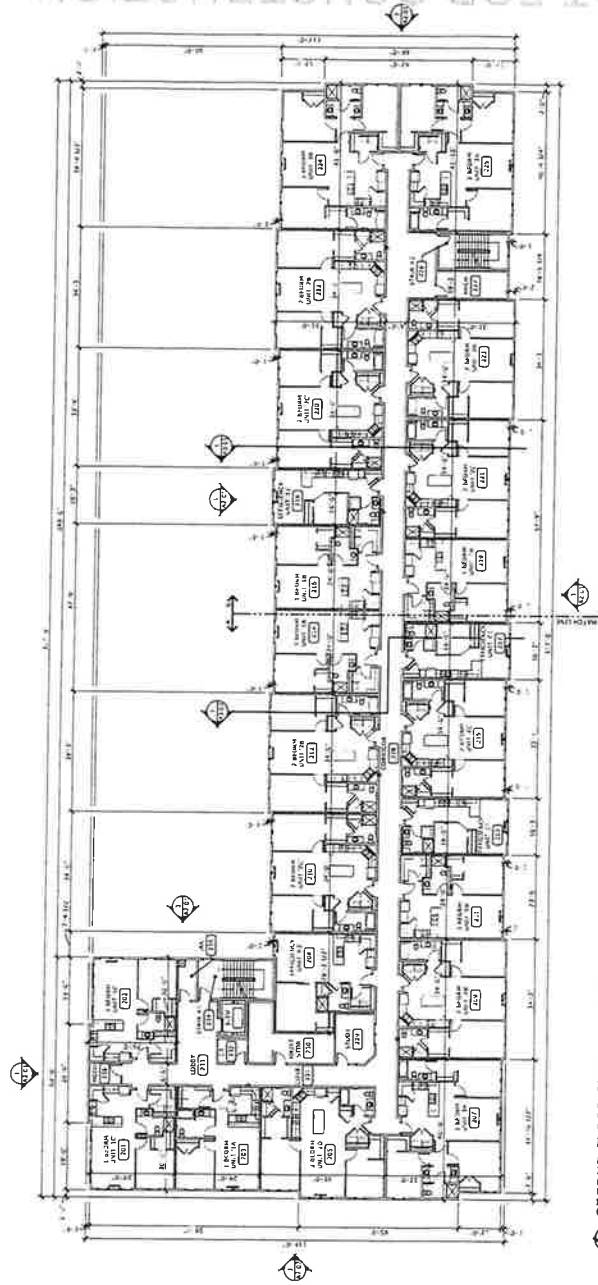
NO. DATE REVISION

PROJECT NO. 22-008  
DATE FEB 15 2025  
DRAWN BY MEM  
CHECKED BY NGV  
DOCUMENT PHASE  
FTG, FNDN & SITE SET

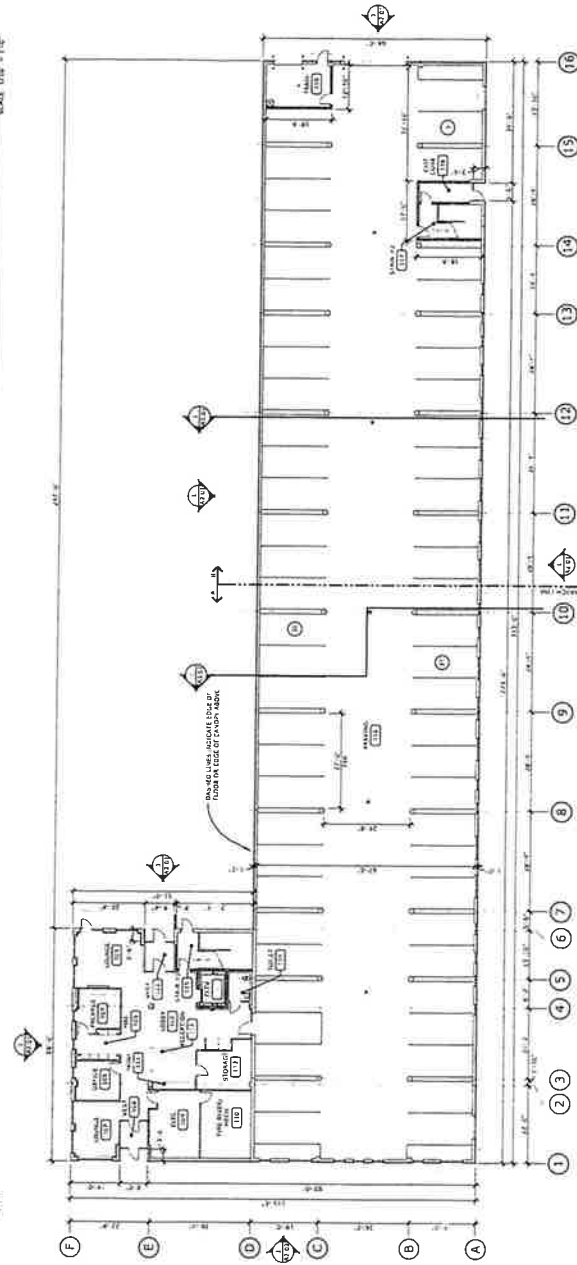
SHEET CONTENTS  
FIRST & SECOND  
FLOOR OVERALL  
PLANS

SHEET

A1.01



SECOND FLOOR OVERALL PLAN



FIRST FLOOR OVERALL PLAN

UNIT MATRIX					
UNITS	1ST	2ND	3RD	4TH	5TH TOTAL
EFF.	0	4	4	5	4 17
1 BED	0	7	7	5	24
2 BED	0	9	9	9	36
3 BED	0	3	3	3	12
TOTAL APT UNITS					89

- GENERAL NOTES**
1. CONSULT WITH OWNER AND ARCHITECT FOR ALL PARTS OF PROJECT.
  2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF ALL CODES AND STANDARDS.
  3. AT 1ST FLOOR, OUTSIDE FACE OF EXTERIOR WOOD STUDS TO BE ALIGNED WITH OUTSIDE FACE OF PRECAST CONCRETE FRAME COLUMN.
  4. AT 1ST FLOOR, ALL INTERIOR WALLS TO BE ALIGNED WITH PRECAST CONCRETE FRAME COLUMN.
  5. AT 1ST FLOOR, ALL INTERIOR WALLS TO BE ALIGNED WITH PRECAST CONCRETE FRAME COLUMN.
  6. AT 1ST FLOOR, ALL INTERIOR WALLS TO BE ALIGNED WITH PRECAST CONCRETE FRAME COLUMN.
  7. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF ALL CODES AND STANDARDS.
  8. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF ALL CODES AND STANDARDS.
  9. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF ALL CODES AND STANDARDS.
  10. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF ALL CODES AND STANDARDS.

PARKING STALLS	
FIRST FLOOR PARKING	80
SEE CIVIL PLANS FOR ALL SITE PARKING COUNTS	

**SKYLINE APARTMENTS - NDSU**  
CORNER OF 12TH AVE N & 18TH ST N  
FARGO, NORTH DAKOTA

PROJECT

REVISIONS  
No. DATE REVISION

PROJECT NO. 22-006  
DATE FEB 15, 2025  
DRAWN BY MEM  
CHECKED BY NDV  
DOCUMENT PHASE  
FIG. FINISH & SITE SET  
SHEET CONTENTS  
THIRD & FOURTH  
FLOOR OVERALL  
PLANS

SHEET 11

**A1.02**

THIRD FLOOR OVERALL PLAN



FOURTH FLOOR OVERALL PLAN



UNIT MATRIX				
UNITS	1ST	2ND	3RD	4TH
EFF.	0	4	4	5
1 BED	0	7	7	5
2 BED	0	9	9	8
3 BED	0	3	3	3
TOTAL APT UNITS				

- GENERAL NOTES**
1. ALL DIMENSIONS ARE FROM FACE OF STUD WALLS, FACE OF PRECAST CONCRETE, OR CENTER OF JOISTING WALLS, ETC.
  2. ALL DIMENSIONS ARE FROM FACE OF STUD WALLS, FACE OF PRECAST CONCRETE, OR CENTER OF JOISTING WALLS, ETC.
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NOT FOR CONSTRUCTION

## REVISIONS

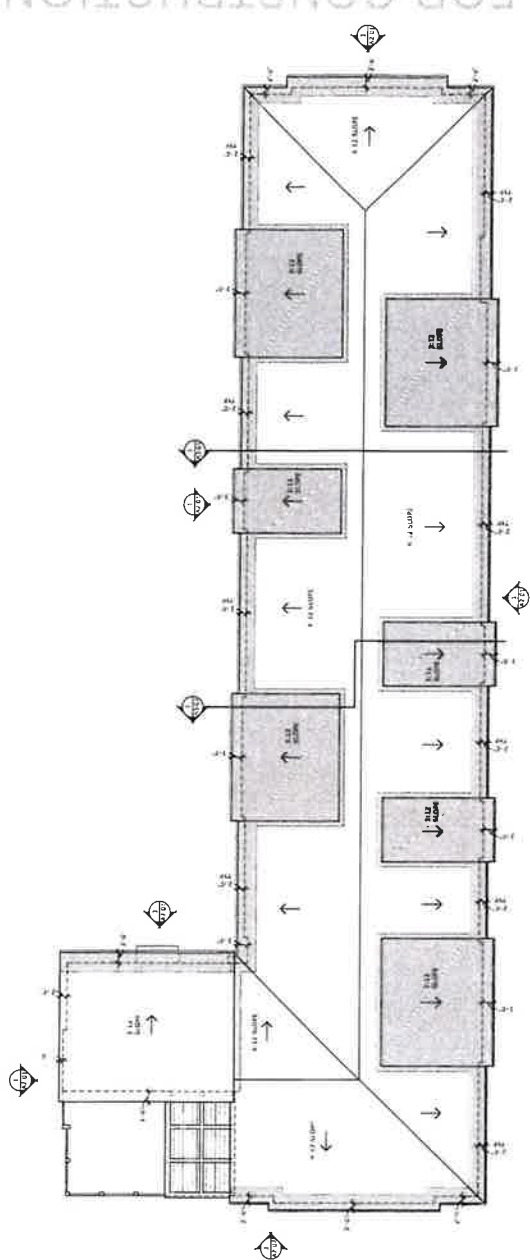
PROJECT NO: 27-008  
DATE: FEB 15, 2025  
DRAWN BY: MEM  
CHECKED BY: NGV  
DOCUMENT PHASE  
FTG, FNDN & SITE SET

**SHEET CONTENTS**  
**FIFTH FLOOR &  
ROOF OVERALL  
PLANS**

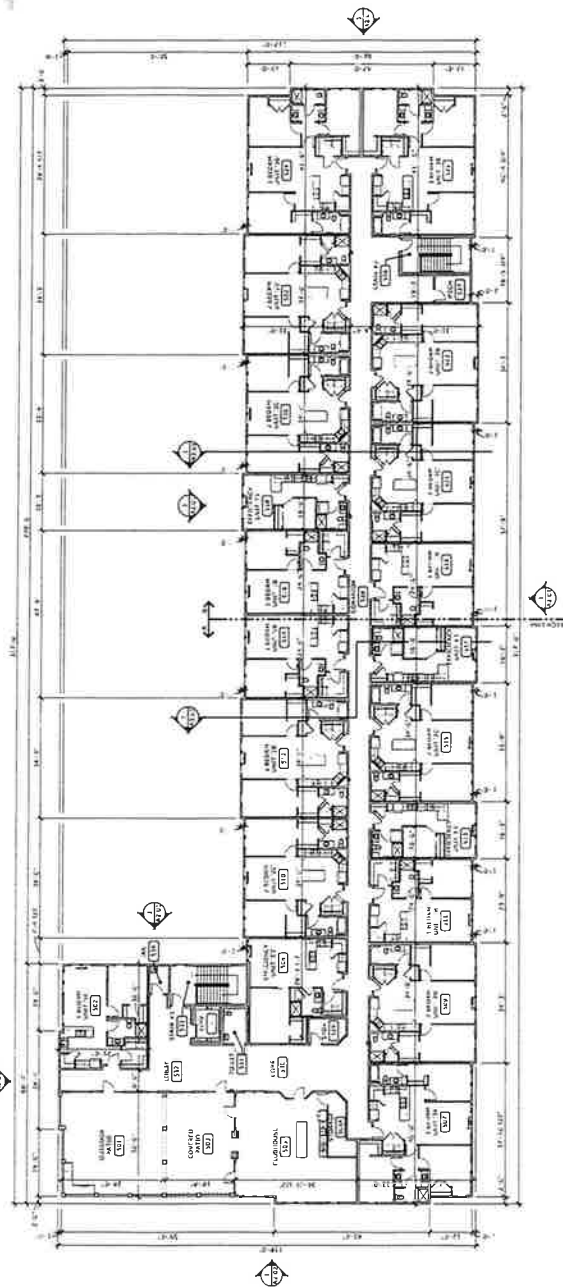
**A1.03**

UNIT MATRIX					
UNITS	1ST	2ND	3RD	4TH	5TH TOTAL
EFF.	0	4	4	5	17
1 BED	0	7	5	5	24
2 BED	0	9	9	9	35
3 BED	0	3	3	3	12
TOTAL APT UNITS					88

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ROOF OVERALL PLAN



FIFTH FLOOR OVERALL PLAN





**SKYLINE APARTMENTS - VIEW 1**  
JANUARY 17TH 2025      CONCEPTUAL RENDERING



**SKYLINE APARTMENTS - VIEW 2**  
JANUARY 17TH 2025      CONCEPTUAL RENDERING





**SKYLINE APARTMENTS - VIEW 3**  
JANUARY 17TH 2025      CONCEPTUAL RENDERING



**SKYLINE APARTMENTS - VIEW 4**  
JANUARY 17TH 2025      CONCEPTUAL RENDERING







LUX LAP - METAL  
V GROVE  
PECAN

EDCO - METAL  
BOARD AND BATTEN  
STATUARY BRONZE

EDCO - METAL  
HORIZONTAL LAP  
CLAYTONE

PRECAST  
CONCRETE

EDCO - METAL  
HORIZONTAL LAP  
CLASSIC BLUE

EDCO - METAL  
BOARD AND BATTEN  
CLASSIC BLUE

**SKYLINE APARTMENTS - EXTERIOR MATERIALS**  
JANUARY 17TH 2025

**GOLDMARK™**  
DESIGN AND DEVELOPMENT

# City of Fargo, North Dakota

Tax Increment Financing Program

“But-For” Report

Skyline LLC

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February 16, 2025



# Table of Contents

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	<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 tax increment financing (TIF) for Skyline LLC, a development by RDG2, LLC (the "Developer").

PFM first reviewed the application to ensure that appropriate assumptions regarding property value, rent, vacancy, expenses, and debt were used by the Developer. Based on those assumptions, PFM projected a 10-year cash flow, calculating an internal rate of return ("IRR"). 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 an 88-unit apartment building with parking located at 18<sup>th</sup> Street North and 12<sup>th</sup> Avenue North.

The Developer estimates the construction will be completed in June 2026 with occupancy immediately following. The Developer has requested TIF assistance in the amount of \$2,033,253 to complete the project.



## TIF Assistance Request

The Developer is requesting assistance in the form of 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 15 years of TIF exemption. The Policy states a 100% exemption on the increased value of the improvements for the first five years, followed by 75% exemption for the next five years, and 50% exemption for the next five years.

### Eligible TIF Expenditures

Land	1,330,000
Building Demolition	375,000
Environmental	250,000
Public Works/Utilities	100,000
<b>Total</b>	<b>\$2,055,000</b>
City Administrative Fees (5%)	102,750
<b>Total TIF Eligible Expenses</b>	<b>\$2,157,750</b>

The Policy limits the TIF assistance to 15% of hard construction costs, including the costs of acquisition. Based on total hard construction costs of \$18,539,000, plus the costs of acquisition of \$1,330,000, the Developer can receive up to \$2,980,350. The Developer is requesting \$2,033,253, which complies with the policy.

### Land Cost

The Developer states the purchase price to acquire the property for the project is \$1,330,000. Land acquisition is reimbursable under the Policy. The Developer is requesting to be reimbursed the full \$1,330,000 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 \$1,330,000. The assessor's market value for the property in 2018, the year the Developer acquired the property was \$951,500. The eligible amount for reimbursement is 150% of \$951,500 which totals \$1,427,250.
- 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 assessor's land value was \$123,400 in 2018 when the property was purchased by the Developer. Based on an acquisition price of \$1,330,000 the maximum reimbursement is \$1,206,600.

The lesser of the two tests detailed above is \$1,206,600. The requested reimbursement amount for land acquisition of \$1,330,000 is greater than 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 15-year term.

#### TIF Estimate

PFM estimates that \$1,849,287 of TIF 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 \$1,149,248 for the 15 years of the project when the TIF would be in effect. This is less than the total eligible TIF expenditures.



## Project Financing

The Developer is investing 25% equity, or approximately \$5,400,000, and will be privately financing about \$16,200,000. The Developer is additionally requesting annual TIF 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 6.5% resulting in an annual principal and interest payment of \$1,312,603.





## Return Analysis

In calculating the internal rate of return, PFM first analyzed the Developer's assumptions including expected monthly rent, vacancy rate, and operating expenses. The Developer is proposing rents of \$1,300-\$1,450 for a one-bedroom unit, \$1,650-\$1,725 for a two-bedroom unit, and \$2,150-\$2,250 for a three-bedroom unit. The Developer has proposed a reasonable amount for rent for the current market and location. Annual estimates of operating expenses for the 88-unit rental development were provided, as follows; Insurance - \$78,120, Administration - \$107,877, Maintenance - \$91,300, Utilities - \$110,600, and Real Estate Taxes - \$160,286 (without public assistance). The total expenses are approximately 31% of gross operating income after stabilization.

The second step in determining the internal rate of return is to determine the earned incremental value of the property over a 10-year period. That value, along with the net operating income cash flows, was used to calculate the internal rate of return. PFM determined that without public assistance the Developer would have about a 7.55% internal rate of return based on a 10-year internal rate of return. The Developer would have about a 10.68% 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 1.29x without assistance, with a Year 6 coverage of 1.10x. If the City provided assistance to the project the maximum debt coverage is projected to be 1.39x in Year 10, with a Year 6 coverage of 1.20x.

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 \$1,900,203 or 11.7% in order for the project to become viable without assistance. This reduces the amount to be financed from \$16,200,000 to \$14,299,797 and reduces the annual payment from \$1,312,603 to \$1,158,639 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 10.4%. PFM believes this is a high increase to the Developer's proposed rents. This increases annual rental revenue from \$1,692,246 to \$1,867,667. 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 \$955,800 or 5.9% and rental rates would have to increase by about 5.2%. 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 10.68%. In addition, the coverage ratio in Year 10 is estimated to be 1.39x. 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.





March 14, 2025

## Memorandum

To: City of Fargo

From: PFM Financial Advisors LLC

Re: Skyline LLC Analysis

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The purpose of this memo is to provide alternative analysis related to the allowable value of tax increment financing (TIF) for Skyline LLC, a development by RDG2, LLC (the "Developer"). The original scenario analysis was presented in the "But-For" Report, dated February 16, 2025.

The Developer approached the City of Fargo (the "City") with a proposal to develop an 88-unit apartment building with parking located at 18<sup>th</sup> Street North and 12<sup>th</sup> Avenue North. The City's Economic Development Incentives Policies and Guidelines limits TIF assistance to 15% of hard construction costs, including the costs of acquisition. Based on total hard construction costs of \$18,539,000, plus the costs of acquisition of \$1,330,000, the Developer can receive up to \$2,980,350.

### **Original Scenario: Staggered Exemption**

The Developer requested 15 years of TIF exemption, with 100% exemption for the first five years, followed by 75% exemption for the next five years, and 50% exemption for the next five years.

Based on the requested terms of TIF assistance, PFM estimates that \$1,849,287 of TIF will be generated over the 15 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 \$1,149,248 for the 15 years of the project when the TIF would be in effect. This is less than the total eligible TIF expenditures.

### **Alternative Scenario: Level Exemption**

PFM also analyzed the value of TIF assistance with 100% exemption for all years, up to an approximate equivalent present value of estimated tax benefits.

PFM estimates that after 11 years, \$1,808,580 of TIF will be generated, assuming a 2.00% market growth rate. Based on a discount rate of 5.25%, the present value of the tax benefits is \$1,169,179 for the 11 years of the project when the TIF would be in effect. This is less than the total eligible TIF expenditures.

**MEMORANDUM**

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TO: City Commission

FROM: Steven Sprague, City Auditor

SUBJECT: Liquor License Application – Nova Eatery & Supper Club

DATE: March 19 2025

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

License Class: F – Full alcohol, service at table of booth, food sales exceed alcohol  
Business Name: Nova Eatery & Supper Club  
Location: 402 Broadway North  
Applicants: Aileen Guiney

This application is for the issuance of a Class F liquor license to Sol Ave Kitchen d/b/a Nova Eatery & Supper Club. This application is for a new restaurant on Broadway.

No concerns were found in the criminal history background check, no items of concern on the credit history. The background check was approved by the Police Chief. Staff & Liquor Control recommend approval of the issuance of a Class F alcoholic beverage license to Sol Ave Kitchen Inc. d/b/a Nova Eatery & Supper Club. The complete application is available for review in the Auditor's Office.

**Recommended Motion:**

**Move to approve the issuance of a Class F alcoholic beverage license to Sol Ave Kitchen, Inc. d/b/a Nova Eatery & Supper Club.**



# FARGO POLICE DEPARTMENT

A SAFE AND UNIFIED COMMUNITY BUILT ON TRUST, ACCOUNTABILITY AND INCLUSION

## NEIGHBORHOOD SERVICES DIVISION

### MEMORANDUM

To: Chief David Zibolski

From: Sergeant Daniel Hulbert *DH*

Date: 03.04.2025

RE: Alcoholic Beverage License Application, Class "F", Nova Eatery & Supper Club

Application for a class "F" Alcoholic Beverage License from

Sol Ave Kitchen, Inc. d/b/a Nova Eatery & Supper Club, Located at 402 Broadway North.

In accordance with Section 25-1505 of the Fargo Municipal Code, I have conducted an investigation into the character, reputation and fitness of the applicant(s) listed on the supplied application.

During this investigation, I examined the applicants' credit reports and public record criminal backgrounds.

The following information was discovered through this investigation:

#### Berglund, Nicole (Owner)

##### **Criminal History -**

A search of Fargo Police Department criminal records, North Dakota public records ([publicsearch.ndcourts.gov](https://publicsearch.ndcourts.gov)) and Minnesota public records (<https://chs.state.mn.us>) showed no criminal history, and one non-criminal traffic citation for speeding in 2024 in the State of North Dakota. This citation was not disclosed in the background packet.

Berglund disclosed a misdemeanor conviction for marijuana in the State of Nebraska in approximately 1993-1994 which did not appear in the background investigation.

Berglund advised she forgot about the speeding ticket.

##### **Credit History -**

Nicole Berglund's credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.



**Nitschke, Ryan (Owner)**

**Criminal History -**

A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov) and Minnesota public records (https://chs.state.mn.us) showed no criminal history, and two non-criminal traffic citations one for disobeying a traffic control signal in 2022, and one for speeding in 2024. Both of these occurred in the State of North Dakota.

Nitschke disclosed a criminal conviction for possession of a controlled substance in 2001-2002 from the State of North Dakota, but this did not appear in the background investigation.

**Credit History -**

Ryan Nitschke's credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.

**Investigation Notes**

This application is for a class "F" alcoholic beverage license (Authorizes the licensee to sell "on-sale" only served at a table or booth) for Sol Ave Kitchen, Inc. d/b/a Nova Eatery & Supper Club.

**Business Location**

Nova Eatery & Supper Club is located at 402 Broadway North. Other businesses in the area with alcoholic beverage licenses are The Toasted Frog, Empire Liquors & Tavern, and Cowboy Jack's.

**Conclusion**

This background investigation is being forwarded for your review and recommendation to the City of Fargo Liquor Control Board.

**RECEIVED**  
Fargo Police Department

MAR 05 2025

Travis Moser  
Lieutenant

REF: *[Signature]*

**RECEIVED**  
Fargo Police Department

MAR 06 2025

Matt Christensen  
Captain

REF: *AC Stefnowicz*

**RECEIVED**  
FARGO POLICE DEPARTMENT

MAR 06 2025 *5*

TRAVIS STEFONOWICZ  
ASSISTANT CHIEF OF POLICE  
REF: *Chief Zibolski*

**RECEIVED**  
FARGO POLICE DEPARTMENT

MAR 07 2025

DAVID B ZIBOLSKI  
CHIEF OF POLICE  
REF: *S. SPANOVE*

*+ REC APPROVAL*

**NEW APPLICATION for an Alcoholic Beverage License**

Legal Company Name: Sol Ave Kitchen Inc.  
 (Must match State of North Dakota registration name)

DBA Name: Nova Eatery & Supper Club

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

Business location address: 402 N Broadway Fargo ND 58103

Mailing address: 1557 University Dr S Fargo ND 58103

Business E-mail address: nikki@lunafargo.com

Local Manager E-mail address: nikki@lunafargo.com

Best Contact Phone number: (303) 912-0689

Anticipated Date of Opening: March 1, 2025

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

**The following section to be completed by City Staff:**

Date Received: 2-6-25 Class of License: F-13

Investigations Fee Paid (\$250) ☒ Yes ☐ No Date Paid: 2/12/25 Check/CC # 10163

Police Department review completed by: \_\_\_\_\_ Date: \_\_\_\_\_

(Attached recommendation report):

☒ Approval Recommendation

☐ Denial Recommendation

  
 Chief of Police

03-07-25  
 Date

**MEMORANDUM**

TO: City Commission

FROM: Steven Sprague, City Auditor

SUBJECT: Liquor License Application – Springhill Suites

DATE: March 19 2025

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

License Class: ABH-Limited – service to hotel guests, Manager special & Sundry shop  
Business Name: Springhill Suites  
Location: 3401 Jacks Way South  
Applicants: Kyle Freier, Tyler Brandt, Kevin Christianson, Alexander Christianson,  
John Hanson & Kira Odenbach

This application is for the issuance of a Class ABH-Limited liquor license to Springhill Suites. This application is for a new limited service hotel.

No concerns were found in the criminal history background check, no items of concern on the credit history. The background check was approved by the Police Chief. Staff & Liquor Control recommend approval of the issuance of a Class ABH-Limited alcoholic beverage license to TC Lodging LLC d/b/a Springhill Suites. The complete application is available for review in the Auditor's Office.

**Recommended Motion:**

**Move to approve the issuance of a Class ABH-Limited alcoholic beverage license to TC Lodging LLC d/b/a Springhill Suites.**



# FARGO POLICE DEPARTMENT

A SAFE AND UNIFIED COMMUNITY BUILT ON TRUST, ACCOUNTABILITY AND INCLUSION

## NEIGHBORHOOD SERVICES DIVISION

### MEMORANDUM

**To:** Chief David Zibolski

**From:** Sergeant Daniel Hulbert *DH*

**Date:** 03.04.2025

**RE:** Alcoholic Beverage License Application, Class "ABH Limited", Springhill Suites

Application for a class "ABH Limited" Alcoholic Beverage License from  
TC Lodging LLC d/b/a Springhill Suites, Located at 3401 Jacks Way South.

In accordance with Section 25-1505 of the Fargo Municipal Code, I have conducted an investigation into the character, reputation and fitness of the applicant(s) listed on the supplied application.

During this investigation, I examined the applicants' credit reports and public record criminal backgrounds.

The following information was discovered through this investigation:

#### Freier, Kyle (Owner)

##### **Criminal History -**

A search of Fargo Police Department criminal records, North Dakota public records ([publicsearch.ndcourts.gov](https://publicsearch.ndcourts.gov)) and Minnesota public records (<https://chs.state.mn.us>) showed no criminal history. Freier disclosed a speeding citation, but this did not show in the background investigation.

##### **Credit History -**

Kyle Freier's credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.

**Brandt, Tyler (Owner)**

- Criminal History -** A search of Fargo Police Department criminal records, North Dakota public records ([publicsearch.ndcourts.gov](http://publicsearch.ndcourts.gov)) and Minnesota public records (<https://chs.state.mn.us>) showed an infraction conviction for a speeding violation in 1997 through Fargo, ND which was not disclosed in the background packet. Brandt advised he forgot about this violation.
- Credit History -** Tyler Brandt credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.

**Christianson, Kevin (Owner)**

- Criminal History -** A search of Fargo Police Department criminal records, North Dakota public records ([publicsearch.ndcourts.gov](http://publicsearch.ndcourts.gov)) and Minnesota public records (<https://chs.state.mn.us>) showed no criminal history.
- Credit History -** Kevin Christianson credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.

**Hanson, Jon (Owner)**

- Criminal History -** A search of Fargo Police Department criminal records, North Dakota public records ([publicsearch.ndcourts.gov](http://publicsearch.ndcourts.gov)) and Minnesota public records (<https://chs.state.mn.us>) showed no criminal history.
- Credit History -** Jon Hanson credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.

**Christianson, Alexander (Owner)**

- Criminal History -** A search of Fargo Police Department criminal records, North Dakota public records ([publicsearch.ndcourts.gov](http://publicsearch.ndcourts.gov)) and Minnesota public records (<https://chs.state.mn.us>) showed no criminal history.
- Credit History -** Alexander Christianson's credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.



**Odenbach, Kira (Owner)**

**Criminal History -** A search of Fargo Police Department criminal records, North Dakota public records (publicsearch.ndcourts.gov) and Minnesota public records (https://chs.state.mn.us) showed no criminal history.

**Credit History -** Kira Odenbach's credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections.

**Investigation Notes**

This application is for a class "ABH Limited" alcoholic beverage license (Authorizes the licensee to sell "on-sale" of beer and wine or hosting "manager's specials" solely for guests or patrons of extended stay and limited service hotels or motels) for TC Lodging LLC d/b/a Springhill Suites.

**Business Location**

Springhill Suites is located at 3401 Jacks Way South. Other businesses in the area with alcoholic beverage licenses are Plaza Azteca Mexican Restaurant 52<sup>nd</sup> Ave and Frank's Lounge.

**Conclusion**

This background investigation is being forwarded for your review and recommendation to the City of Fargo Liquor Control Board.

**RECEIVED**  
Fargo Police Department  
MAR 05 2025

Travis Moser  
Lieutenant  
REF: *[Signature]*

**RECEIVED**  
Fargo Police Department  
MAR 06 2025

Matt Christensen  
Captain  
REF: *AC 506F 000 0002*

**RECEIVED**  
FARGO POLICE DEPARTMENT  
MAR 07 2025  
DAVID S. ZIBOLSKI  
CHIEF OF POLICE  
REF: *S. SPRAGUE* *DG*

*+ REC Approval*

**RECEIVED**  
FARGO POLICE DEPARTMENT  
MAR 08 2025  
TRAVIS STEFONOWICZ  
ASSISTANT CHIEF OF POLICE  
REF: *Chief Zibolski*

2

**MEMORANDUM**

31

TO: City Commission

FROM: Steven Sprague, City Auditor

SUBJECT: Liquor License Application – Target

DATE: March 19 2025

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

License Class: B-Limited – off sale  
Business Name: Target  
Location: corner of 38<sup>th</sup> Street a& Alexander Drive South  
Applicants: Aileen Guiney

This application is for the issuance of a Class B-Limited liquor license to Target. This application is for a new Target store.

No concerns were found in the criminal history background check, no items of concern on the credit history. The background check was approved by the Police Chief. Staff & Liquor Control recommend approval of the issuance of a Class B-Limited alcoholic beverage license to STL of North Dakota, Inc. d/b/a Target. The complete application is available for review in the Auditor's Office.

**Recommended Motion:**

**Move to approve the issuance of a Class B-Limited alcoholic beverage license to STL of North Dakota, Inc. d/b/a Target.**



# FARGO POLICE DEPARTMENT

A SAFE AND UNIFIED COMMUNITY BUILT ON TRUST, ACCOUNTABILITY AND INCLUSION

## NEIGHBORHOOD SERVICES DIVISION

### MEMORANDUM

To: Chief David Zibolski

From: Sergeant Daniel Hulbert *DH*

Date: 02.17.2025

RE: Alcoholic Beverage License Application, Class "B Limited", Target Wine & Spirits

Application for a class "B Limited" Alcoholic Beverage License from

STL of North Dakota, Inc. d/b/a Target Wine & Spirits, Located at Southeast Corner of 38<sup>th</sup> Street S/Alexander Drive S.

In accordance with Section 25-1505 of the Fargo Municipal Code, I have conducted an investigation into the character, reputation and fitness of the applicant(s) listed on the supplied application.

During this investigation, I examined the applicants' credit reports and public record criminal backgrounds.

The following information was discovered through this investigation:

#### Guiney, Aileen

##### **Criminal History -**

A search of Fargo Police Department criminal records, North Dakota public records ([publicsearch.ndcourts.gov](https://publicsearch.ndcourts.gov)) and Minnesota public records (<https://chs.state.mn.us>) showed no criminal history.

##### **Credit History -**

Aileen Guiney's credit history was reviewed. There are no prior bankruptcies, recent past due accounts or debts turned over to collections. See attached credit report.

**Investigation Notes**

This application is for a class "B Limited" alcoholic beverage license (Authorizes the licensee to sell "off-sale" only) for STL of North Dakota, Inc. d/b/a Target Wine & Spirits.

**Business Location**

Target Wine & Spirits is located at Southeast Corner of 38<sup>th</sup> Street S/Alexander Drive S. Other businesses in the area with alcoholic beverage licenses are Suite Shots, Kingpinz Social, Plaza Azteca Mexican Restaurant 52<sup>nd</sup> Avenue, and Happy Harry's Bottle Shops.

**Conclusion**

This background investigation is being forwarded for your review and recommendation to the City of Fargo Liquor Control Board.

**RECEIVED**  
Fargo Police Department

FEB 18 2025

Travis Moser  
Lieutenant

REF:

*Captain Christensen*

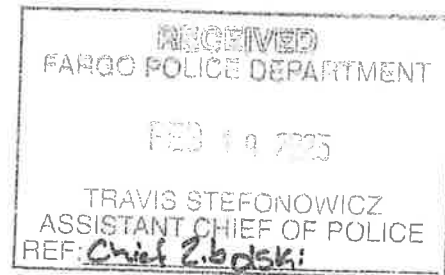
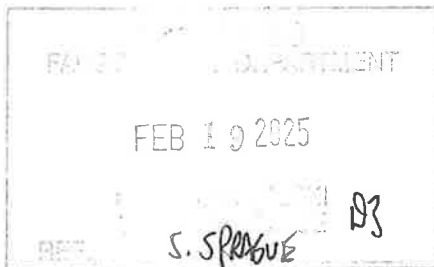
**RECEIVED**  
Fargo Police Department

FEB 18 2025

Matt Christensen  
Captain

REF:

*AC STEFONOWICZ*







To Whom It May Concern;

Please be advised that there are no officers or employees of Target Corporation owning five percent (5%) or more of Target Corporation stock, a publicly traded company.

Aileen Guiney is a principal officer for Target Corporation, a publicly traded company, qualified to do business in the State of North Dakota, for liquor licensing purposes. She is VP Corporate Compliance overseeing various compliance management programs, including the adult beverage compliance program. If an officer is required to be listed on the application, Aileen will be the assigned officer to be listed.

If you have any questions, please contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ashley Simonson', is written over a long horizontal line that extends across the page.


Ashley Simonson  
Licensing Analyst  
Target Corporation  
1000 Nicollet Mall, TPS-3010  
Minneapolis, MN 55403

2

MEMORANDUM

38

**TO:** Board of City Commissioners

**FROM:** Jim Gilmour, Director of Strategic Planning and Research 

**DATE:** March 27, 2025

**SUBJECT:** Convention Center Site Option

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Commissioner Strand would like to make the Mid America Steel Site and the Civic Auditorium Site, including the former Police Station and Public Health Building, available as possible sites for the Convention Center. He asked me to put the following motion on the agenda.

**Suggested Motion**

Motion: I move that the City-owned land located at the Mid-America Steel site downtown and at the Civic Auditorium site, to include the former police station and health building across 4<sup>th</sup> Street North from the Civic, be made available for the request-for-proposal process being developed by the Fargo Convention Center Committee, with said land to be made available for such proposals under suitable terms, including compensation for such lands, to be determined by the board of city commissioners.