

FARGO CITY COMMISSION AGENDA  
Monday, May 4, 2009 - 5:00 P.M.

CITY COMMISSION MEETINGS ARE BROADCAST LIVE ON TV FARGO (Channel 99). They are rebroadcast at 7 p.m. each Thursday and again at 8:00 a.m. each Saturday and are also included in our video archive at [www.cityoffargo.com/commission](http://www.cityoffargo.com/commission).

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, April 20, 2009; Special Meeting, April 27, 2009).

\* \* \* Consent Agenda - Approve the Following \* \* \*

- a. Resolution authorizing the 2009-2010 City of Fargo Deer Management Program.
- b. 2009 Special Election precinct locations.
- c. Receive and file Ordinance Relating to the Electrical Code.
- d. 1st reading of an Ordinance Relating to Ordinance Violations.
- e. 2nd reading, waive reading and final adoption of the following Ordinances; 1st reading, 4/20/09:
  - (1) Amending Section 20-0403 of the Land Development Code Relating to Home Occupations (to allow commercial dog grooming as a home occupation).
  - (2) Rezoning Certain Parcels of Land Lying in Kirkham's 2nd Addition.
  - (3) Rezoning Certain Parcels of Land Lying in Great Northern 2nd Addition.
- f. Third Addendum to Memorandum of Understanding – City of Fargo and Fargo Public Schools.
- g. Amended Agreement with the North Dakota Department of Health for State Viral Hepatitis Program activities (PF08-051A).
- h. Service Agreement with the North Dakota Department of Health for Ryan White Part B/Case Program/Management for People Living with HIV/AIDS (PF08-300).
- i. Site Authorizations for Games of Chance:
  - (1) Plains Art Museum at Big Top Bingo, King Pin Casino located in The Bowler and Blue Wolf Casino located in Cactus Jacks Saloon.
  - (2) Teamsters at 21 South 18th Street.
  - (3) American Gold Gymnastics at Big D's Bar & Grill and Sidestreet Grille & Pub.
- j. Applications for Games of Chance:
  - (1) Fargo-Moorhead Cosmopolitan Club for a Sports Pool from 6/1/09 to 12/31/09
  - (2) YWCA Cass Clay for bingo and a raffle on 6/11/09.
  - (3) Bennett PTA for bingo on 5/14/09.
  - (4) Lynn Miller Benefit for a raffle on 5/16/09; Public Spirited Resolution.
  - (5) Kringen Club, Inc. for a raffle from 5/10/09 through 8/11/09.

- k. Plat of Robust Addition.
- l. Plat of The District of Fargo Second Addition.
- m. Quote from Industrial Builders, Inc., in the amount of \$40,326.00 for cleanup services for the 2009 Cleanup Week event.
- n. Three-year contract with Clean Harbors Environmental for disposal of household hazardous waste.
- o. Southeast Cass Water Resource District Street and Levee Agreement.
- p. Easements for NDSU property associated with the North Side Gravity Interceptor Sewer project.
- q. Bid awards for Project Nos. 5869 and 5870.
- r. Bid advertisement for Project Nos. 5867 and 5872-01.
- s. Contract and bond for Project No. 5221.
- t. Bills.
- u. Bid award for Improvement District No. 5525.
- v. Create Improvement District Nos. 5817, 5837, 5861.
- w. Contracts and bonds for Improvement District Nos. 5858 and 5859.

\*\*\* Regular Agenda \*\*\*

- 1. Consider Renaissance Zone Fund Policy.
- 2. Request from Rick Engen to create a Renaissance Zone Fund Organization.
- 3. Public Hearings - 5:15 p.m.:
  - a. Renaissance Zone Project for Sterling Development Group Nine, LLC for a rehabilitation project at 506 Roberts Street North.
- 4. Request from Bruce Brovold to spend stimulus money to repair sidewalks and build a pedestrian overpass over the railroad tracks.

**REMINDER:** The Board will meet as a Board of Equalization on Tuesday, May 12, 2009 at 7:30 o'clock a.m. in the City Commission Room.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 241-1310 or TDD 241-8258. Please contact us at least three business days in advance of public meetings to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo Web site at [www.cityoffargo.com/commission](http://www.cityoffargo.com/commission)

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## Memorandum

**Date:** 29 April 2009  
**To:** Board of Commissioners, City of Fargo  
**From:** Robert C. Stein  
**Re:** Renaissance Zone Fund Policy

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Upon the request for another (third) Renaissance Zone Fund for the City of Fargo, the Renaissance Zone Authority has recommend adoption of a Renaissance Zone policy relating to RZ Fund investments. The purpose of the policy is to define the types of investments that are most effective in meeting the vision and goals of the Renaissance Zone as presented in the Fargo Renaissance Zone Development Program, and to promote those types of investments.

The statement of investment policy is as follows:

- a. The investment is for construction of a new building in the Fargo Renaissance Zone that is an approved renaissance zone project.
- b. The investment is for renovation of an existing building in the Fargo Renaissance Zone that is an approved renaissance zone project.
- c. The investment is in a business that is to occupy one or more buildings that qualify under subparagraphs a or b, above, and, in addition said business is an initial tenant in space qualifying under subparagraphs a or b, above. In other words, the business receiving said funds must be the first tenant to occupy the particular space in an approved renaissance zone project. Notwithstanding the provisions of this subparagraph c, in the event a business receiving funds does not actually take occupancy within twenty-four (24) months of the distribution of funds to the business, such action or non-action shall constitute a breach of this agreement and City may notify the Office of

the Tax Commissioner for the State of North Dakota of the breach and request that the Commissioner revoke the grant of tax credits awarded.

d. Other investments or investment alternatives may be considered but are subject to review by the Renaissance Zone Authority on an individual basis provided that such investments are consistent with the Renaissance Zone Vision and Goals.

**Suggested Action: to adopt the suggested policy and to incorporate the policy into the next update to the Fargo Renaissance Zone Development Plan.**

2



## Memorandum

**Date:** 29 April 2009  
**To:** Board of Commissioners, City of Fargo  
**From:** Robert C. Stein  
**Re:** Renaissance Zone Fund Agreement

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At the April 22, 2009 meeting of the Renaissance Zone Authority, the request from Rick Engen was approved to proceed with the creation of a Renaissance Zone Fund Organization and to develop an agreement to that effect.

I have attached the agreement to be signed by Mr. Rick Engen, President, Downtown Renaissance Fund, LLC. The Agreement will be signed upon verification of creation of the entity. This agreement has already been approved by Rick Engen who intends to finalize the formation of the LLC upon approval by the City Commission of this agreement.

If you have further questions, contact me or James Gilmour.

RCS

**Suggested Action: to approve the agreement with Downtown Renaissance Fund, LLC authorizing a Renaissance Zone Fund.**

## **RENAISSANCE ZONE FUND AGREEMENT**

This agreement is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Fargo, whose address is 200 North Third Street, Fargo, North Dakota 58102, a municipal corporation (hereinafter referred to as “City”), and Downtown Renaissance Fund, LLC (hereinafter referred to as the “Organization”), whose address is c/o Richard Engen, 607 NP Avenue, Suite 200, Fargo, North Dakota, 58102.

### **RECITALS:**

**WHEREAS**, the legislature of the State of North Dakota has enacted Chapter 40-63 of the North Dakota Century Code by the terms of which any incorporated city is allowed to apply for designation of a portion of the city as a renaissance zone and which authorizes a city with a designated renaissance zone to establish a renaissance fund organization(s) or to designate a for-profit subsidiary of the local authority; and,

**WHEREAS**, the Downtown Renaissance Fund, LLC became organized on (*Month*), (*Year*) for the purpose of operating as a renaissance fund organization for the city of Fargo as provided in Chapter 40-63 of the North Dakota Century Code, to raise funds to be used to make investments in zone projects, and to provide financing to renaissance zone projects in a manner that will encourage capital and real estate investment in the City of Fargo and,

**WHEREAS**, it is the desire of the Organization to serve as a renaissance fund organization as described in section 40-63-07(1) for the City; and,

**WHEREAS**, the City wishes to contract with the Organization as a renaissance fund organization for Fargo under North Dakota Century Code section 40-63-07(1); and,

**WHEREAS**, the State of North Dakota, acting through the Division of Community Services (DCS) is requiring that the City and DCS enter into a Memorandum of Agreement in a form similar to that which is attached hereto as Exhibit “A”, which provides authority to DCS to require of the City, certain acts or things, including the authority to:

- a. demand information from the City;
- b. require the City to make adequate progress in furtherance of the City’s Development Plan;
- c. take action against the City if adequate progress has not been made after DCS has provided such 90-day written notice;

- d. require the City to comply with Chapter 40-63 of the North Dakota Century Code, as amended or repealed by the Legislative Assembly, and may require the City to modify its Development Plan in accordance therewith prior to the effective date of such legislation.

**WHEREAS**, it is the further desire of the City and the Organization to set forth the terms by which the Organization shall serve as a designee of the City.

**NOW, THEREFORE**, it is hereby agreed as follows:

1. The Organization is hereby designated to serve as a renaissance fund organization for the city of Fargo for a period of time not to surpass the duration of the Renaissance Zone program in the City of Fargo.
2. The Organization shall comply with all applicable city, state, and federal laws, statutes and regulations, including, without limitation, all applicable securities laws, banking and/or finance laws, and NDCC Chapter 40-63; including the North Dakota Renaissance Zone Program Statement.
3. Upon request made by the City, the Organization shall comply with any requests for information, progress reports, or such other requirements imposed upon the City by the State of North Dakota and/or DCS as may be made pursuant to the provisions of a memorandum of Agreement between the City and the State of North Dakota acting through the Division of Community Services (hereinafter referred to as "DCS").
4. This agreement, and the Organization, shall be subject to the requirements of Fargo's Development Plan as approved by DCS.
5. The Organization shall provide a report, including a summary financial report, to the Fargo Board of City Commissioners on at least an annual basis. At the same time, the Organization shall provide a report as to the status and a summary of projects funded by the Organization.
6. The Organization shall ensure that an amount equal to investor funds properly identified or earmarked for the Downtown Renaissance Fund, LLC will be invested in the Fargo Renaissance Zone. The financing may include any combination of equity investments, loans, guarantees, and commitments for financing. Such funds may only be invested in one or more projects or businesses that meet the criteria set forth in subparagraphs a, b c, or d below:
  - a. The investment is for construction of a new building in the Fargo Renaissance Zone that is an approved renaissance zone project.

b. The investment is for renovation of an existing building in the Fargo Renaissance Zone that is an approved renaissance zone project.

c. The investment is in a business that is to occupy one or more buildings that qualify under subparagraphs a or b, above, and, in addition said business is an initial tenant in space qualifying under subparagraphs a or b, above. In other words, the business receiving said funds must be the first tenant to occupy the particular space in an approved renaissance zone project. Notwithstanding the provisions of this subparagraph c, in the event a business receiving funds does not actually take occupancy within twenty-four (24) months of the distribution of funds from the Downtown Renaissance Fund, LLC to the business, such action or non-action shall constitute a breach of this agreement and City may notify the Office of the Tax Commissioner for the State of North Dakota of the breach and request that the Commissioner revoke the grant of tax credits awarded to the Downtown Renaissance Fund, LLC.

d. Other types of investments and investment alternatives may be considered but are subject to review by the Renaissance Zone Authority on an individual basis provided that such investments are consistent with the Renaissance Zone Vision and Goals.

7. This agreement, and the designation of the Organization by the City, may not be assigned by the Organization.

8. The Organization shall hold harmless the City from any liability for damages to any person or property or claim for damages brought against the City resulting from the actions of the Organization.

9. **Default.** The failure of the Organization to comply with the terms hereof shall constitute a default of the agreement, and shall cause a termination of the designation of the Organization as a renaissance zone fund for the City; provided, however, that in the event the Organization has breached one or more requirements hereunder, the City shall give the Organization written notice of the nature of the breach, and shall extend to the Organization a grace period of no less than thirty (30) days to cure such breach. If the Organization takes action to cure the breach within the grace period extended, no default shall have occurred.



COUNTY OF CASS )

On this \_\_\_\_ day of (*Month*), *Year*, before me, a notary public in and for said county and state, personally appears Richard Engen to me known to be the \_\_\_\_\_ of the Downtown Renaissance Fund, LLC, the company described in and that executed the within and foregoing instrument and acknowledged to me that said company executive the same.

(SEAL)

\_\_\_\_\_  
Notary Public  
Cass County, North Dakota  
My commission expires: \_\_\_\_\_

39



## Memorandum

**Date:** 29 April, 2008  
**To:** Fargo City Commission  
**From:** Robert C. Stein  
**Re:** Renaissance Zone Project Application

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The following Renaissance Zone project was reviewed and approved by the Renaissance Zone Authority at the October 29, 2008 meeting.

1. Sterling Development Group Nine, LLC (Project 181-F) proposal for a rehabilitation project located at 506 Roberts Street. **The application and staff report summary are included as Attachment 1.** The project is consistent with the goals and objectives of the Fargo Renaissance Zone Development Plan and other Downtown Plans. The proposed residential use is a priority use in the Zone. The proposed investment in this project meets the program requirements. The rehabilitation will upgrade the exterior and interior space, and replace the electrical/mechanical systems, to accommodate the development of this residential space in Downtown Fargo.

This project meets the State and local requirements for designation as a Renaissance Zone project in the City of Fargo. The project met the primary goals of the Renaissance Zone Development Plan which include "high priority land use; targeted areas; investment guidelines; and relocation". The projects addressed several of the Plan objectives including the following: Activity Generator, Walkable District, Ground Floor Uses, Neighborhood Center, User Needs, Safe Streets – Safe Districts, Ground Floor Uses, Downtown Entryways, The Place To Be, and several others. The projects addressed the Vision of the Plan, namely Economic Vitality and Vibrant City Center. The establishment of concentrated commercial activity at this location will add to the pedestrian-friendly surroundings and overall safety of Downtown Fargo. If you have any further questions, please contact me at 241-1474.

**Recommended action: to approve the Renaissance Zone application of Sterling Development Group Nine, LLC for a project located at 506 Roberts Street as recommended by the Renaissance Zone Authority and to grant the income tax and property tax exemptions contingent upon completion of the project and verification of costs.**

**ROBERTS STREET LOFT APARTMENT  
506 Roberts Street N.  
FARGO, NORTH DAKOTA**



**CITY OF FARGO  
RENAISSANCE ZONE PROJECT APPLICATION  
DEPARTMENT OF PLANNING AND DEVELOPMENT  
200 N 4<sup>TH</sup> STREET, FARGO, ND**

April 15, 2009

## PROJECT APPLICATION

**1. Street address(es) and legal description of proposed project (confirm that it is in the Zone – see Attachment A)\***

Street Address: 506 Roberts Street N.

Legal Address: Lots I & J, Block C  
Chapin Johnson and Barretts Addition to the City of Fargo

and

Lot K, Block C, Also BN Lease # BF47342  
Conts 15,544 sq ft.

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

Sterling Development Group Nine, LLC

**3. Name of applicant(s)**

Sterling Development Group Nine, LLC

**4. Current use of property**

- Vacant building

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

Lot Area:	Existing	12,727 SF
	Purchased from Railroad	<u>2,944 SF</u>
		15,671 SF
Building:	Basement	2,609 SF
	1st Floor	2,609 SF
	2nd Floor & Mezzanine	<u>3,359 SF</u>
		8,577 SF

**6. Describe the impact this project has on any historical properties**

This project will result in substantial improvements to the former Fargo Mental Health Building constructed in the 1920's and will complement the adjacent KRJ Building, another recent Renaissance Zone project. It will also help improve an under developed area of Downtown Fargo.

**7. Type of investment (purchase, improvement, lease, investment in)**

- Purchase
- Substantial Improvements
- Lease improved space to apartment tenants (Basement, 1<sup>st</sup> & 2<sup>nd</sup> Floors)
- On-site Parking and green space Improvements

**8. Project Description. Describe scope of work, including a detailed cost estimate of the work to be completed. Please provide a break out of “capital improvements”, as defined in Attachment B. Also describe anticipated tenant mix. Estimate the value of the building after improvements have been completed.**

- Use of Building - The building will be completely remodeled for use as an apartment building with 12 loft apartments.
- Exterior Improvements
  - All windows will be replaced with an emphasis on restoring the building to its original appearance.
  - Existing paint will be removed from the existing masonry and the masonry will be completely tuckpointed.
  - A new roof will be provided.
  - Existing gravel lot will be paved. Part of the gravel around the building will become green space.
  - All perimeter sidewalks will be repaved or new walks provided.
  - Landscaping will be improved on the south, north & east sides of the building.
  - A new entrance location will be provided along the north façade and an exterior stair & ramp added for handicap access to the 1<sup>st</sup> Floor.
  - Exterior decks will be added along the east side for the loft apartments.
- Interior Improvements
  - The interior of the building will be completely gutted (walls, mechanical, electrical, etc.) leaving only the primary structure, and exterior walls.
  - All interior improvements will be new for each loft apartment including mechanical systems, electrical systems, walls, finishes, etc. Each loft apartment will be individually designed to take advantage of the unique characteristics of this building – existing wood structure, 10' to 12' high ceilings, and large windows are some of the unique features of the building.

• Project Cost Estimate

- Purchase Building & Land	\$ 200,000
- Exterior Improvements – windows, roof masonry repairs, sitework	150,000
- Interior Fit-up & major mechanical/electrical systems	300,000
- Architect / Engineer / Construction Manager	50,000
- Soft Costs – financing costs, realtor commissions, developer fees, contingency	50,000
	_____
<b>TOTAL PROJECT COST</b>	<b>\$ 750,00</b>

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

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

*Will convert an existing 49,353 SF vacant building into 12 loft apartments in an under developed area of the northern portion of the downtown district along Roberts Street.*

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

*Location is one block west of Broadway and walkable to all areas of the downtown central business district.*

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

*The entire building including the ground floor is planned as loft apartments.*

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

*Provides additional residential space in the northern portion of the downtown district, one block west of Broadway in an area that is primarily commercial. This building creates mixed use in conjunction with adjoining properties.*

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

*On-site surface parking will be provided to meet the needs of this project. Access to parking is from Roberts & 7<sup>th</sup> Streets.*

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

*Will increase daytime and evening activities in this area. Also, the building and site improvements will include improved lighting.*

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

*This project is an excellent compliment to downtown activities and will be constructed to meet the needs of its current and future tenants.*

**High Quality Housing** – Stimulate the production of unique high quality housing that is developed in areas targeted for residential development or as a component of a mixed-use project.

*This building will be remodeled to include 12 loft apartments. The site adjoins the KRJ Building (45,000 SF office building) and site access is shared by the two properties.*

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

*See goal above.*

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

*Will be improving the existing sidewalks and adding substantial landscaping, site lighting and paved parking. Currently the lots are poorly maintained and underutilized and there is no green space around the building.*

**The Place to Be** – Make downtown the entertainment/cultural/recreational center of the city: “If you’re looking for something to do – downtown in the place to be”. Make downtown a key destination for visitors/conventioners and a key destination for residents.

*Adds 12 residential housing units to the mix of properties in the downtown. Provides space for more people to live downtown.*

**A Place Like No Other** – Highlight the unique historic character of the Renaissance Zone by placing a high value on historic preservation and overall awareness of the history of the area.

*The interior and exterior of the existing structure will be preserved and all improvements will respect and feature the unique characteristics of the historic structure.*

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

*N/A*

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

*Will improve a currently dilapidated structure.*

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

*N/A*

**24 hours a day – 7 days a week – 365 days a year** – Design spaces, facilities and features that will attract people to the area both day and night, on weekdays and weekend and during all seasons of the year.

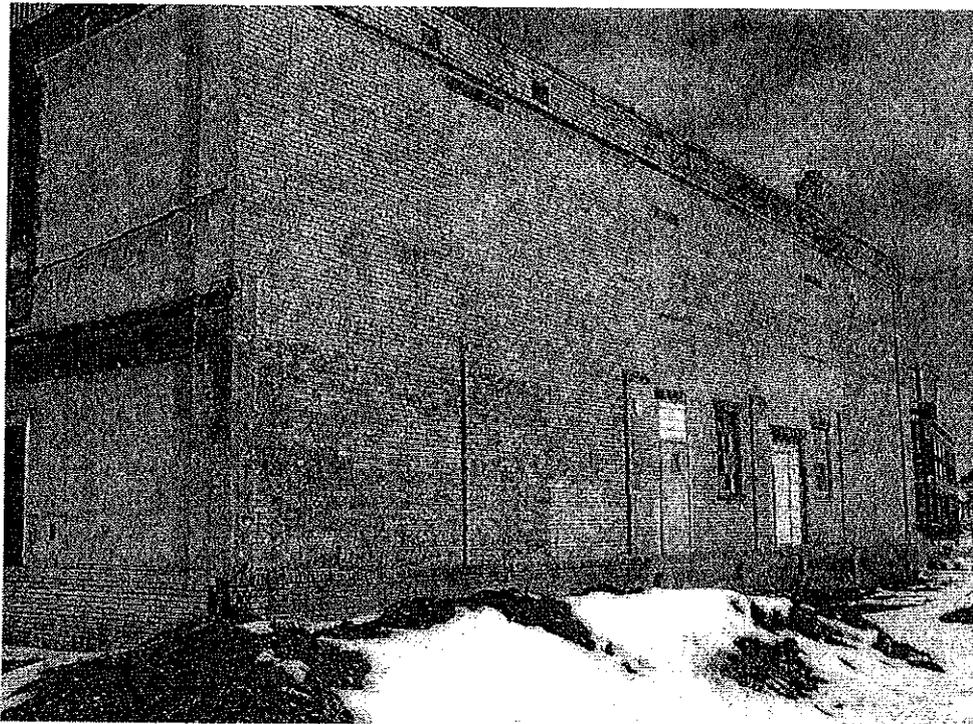
*Combination of nearby retail and office spaces and the additional residential spaces provided with this project promotes activities during the daytime and evenings, year round.*

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

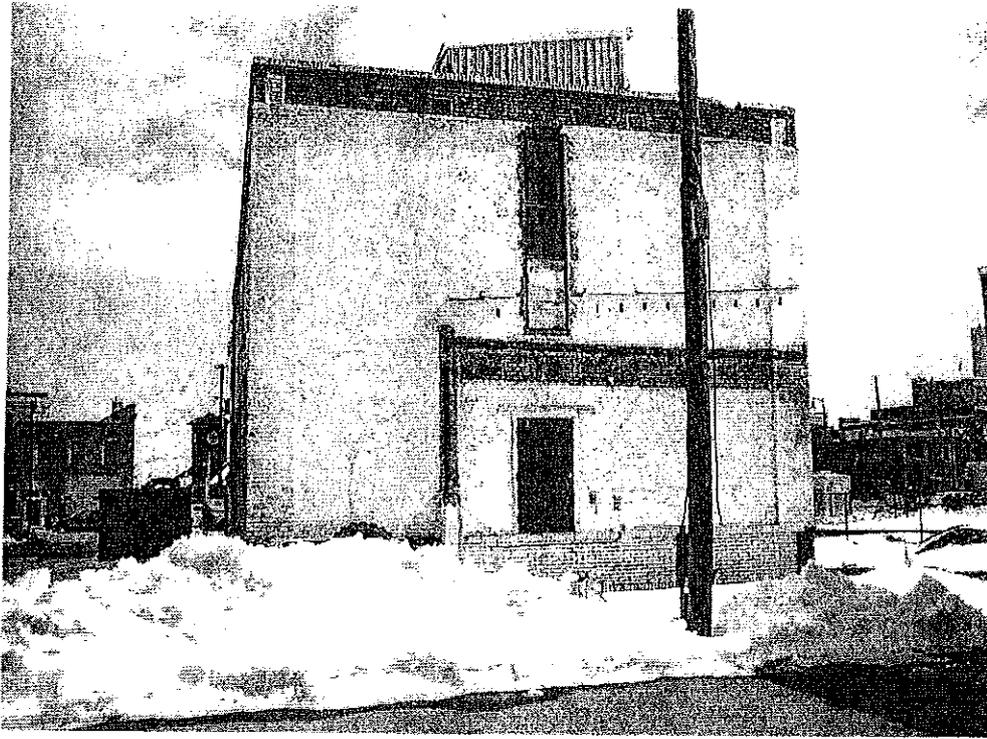
*Will work with adjacent property owners, City Officials, tenants, etc. to maximize the potential impact of this project on the Renaissance Zone area and other areas of the downtown environment.*

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

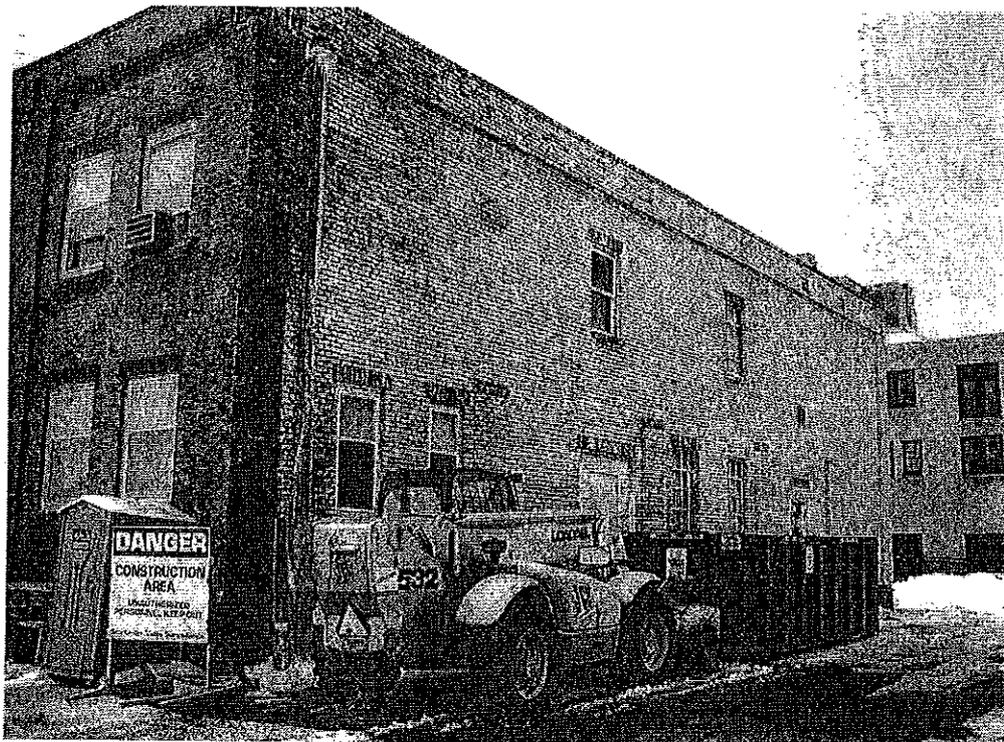
- Exterior improvements will include a new roof, new windows to match the original appearance, a new north entrance stair & ramp, brick repairs, new paved parking, landscaping & walks.
- Refer to the following photographs of the building as it exists today and drawings showing the proposed improvement to the building elevations at the end of this submittal.



**Present Building – 2009; South Elevation**



Present Building – 2009; West Elevation



Present Building – 2009; North Elevation



**Present Building – 2009; East Elevation**

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

1. High Priority Land Use
  - Currently vacant building will be redeveloped into 12 loft apartments which will complement adjacent commercial office, specialty retail, and residential loft condo spaces.
2. Targeted Areas
  - The building has been underutilized and is currently falling into disrepair.
3. Public Space
  - The storefront including sidewalks and adjacent undeveloped parking areas will be improved as part of this project. Landscaping will be improved significantly.
4. Investment
  - Approximately \$750,000 total investment.
5. Relocation
  - The building is currently empty and the new improvements will add 12 residential housing units to the downtown area encouraging people to relocate to the downtown area.

**12. List of public and private financial commitments**

- Private financing has been secured to improve the building.

**13. Estimated tax impact of Zone incentives to the applicant (list annual property tax levy on property and potential annual income tax savings).**

The value of the five-year property tax is estimated below:

Current property tax (building and land)	\$	3,097
Current tax on building	\$	1,936
Estimated value of five-year exemption	\$	9,680

The value of a five-year income tax exemption is estimated below:

Annual state income tax estimate	\$	2,200
Estimated value of five-year exemption	\$	11,000

The potential value of the historic preservation and renovation tax credit is presented below:

Estimated value of improvements	\$	750,000
50% of amount invested	\$	375,000

**14. For renovation of existing property, provide documentation that the cost of the improvements are valued at no less than 50 percent of current and true valuation of the building. Also demonstrate that the investment meets the city's minimum criteria (see Attachment B)**

Estimated value of the building after improvements will be approximately \$750,000. The current true and full assessment is \$136,000 of which \$85,000 is for the building.

**15. Provide evidence that the applicant (taxpayer to benefit) is current on state and local taxes (Certificate of Good Standing from State Tax Commissioner (see Attachment E) and receipt showing proof that local taxes have been paid (duplicate receipts available from County Treasurer))**



STATE OF NORTH DAKOTA  
OFFICE OF STATE TAX COMMISSIONER  
Cory Fong, Commissioner

April 13, 2009

Ref: L2124610560

STERLING DEVELOPMENT GROUP NINE LLC  
505 BROADWAY N  
FARGO ND 58102-4416

RE: Renaissance Zone Certificate Of Good Standing, State Income And Sales Taxes Only

This letter is evidence of good standing as required by the North Dakota Division of Community Services for purposes of obtaining final approval of a renaissance zone project.

As of the date of this letter, the records in the North Dakota Office of State Tax Commissioner do not show probable cause to believe that any income taxes (including income tax withheld from wages) or sales and use taxes are due and owing to the State of North Dakota by the following taxpayer:

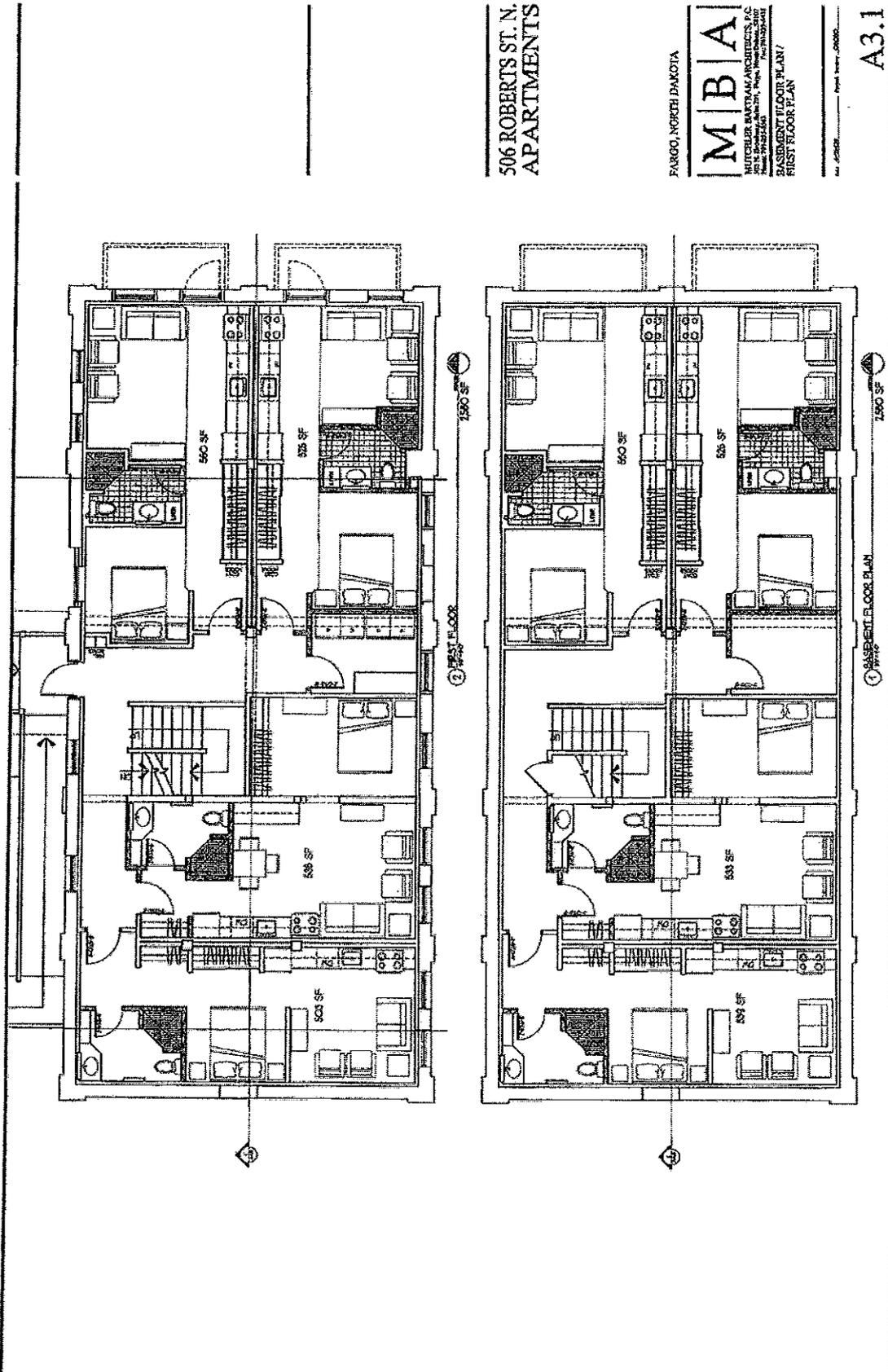
Taxpayer's Name: STERLING DEVELOPMENT GROUP NINE LLC

The enclosed copy of this letter must be submitted (as part of the zone project application) to the local zone authority for the renaissance zone in which the proposed zone project will be located. Please keep this original letter for your records.

/s/ Nathan Bergman

Nathan Bergman  
Supervisor, Individual Income Tax and Withholding  
Phone: (701) 328-1296  
Email: nwbergman@nd.gov

Enc.





506 ROBERTS ST. N.  
APARTMENTS

FARGO, NORTH DAKOTA

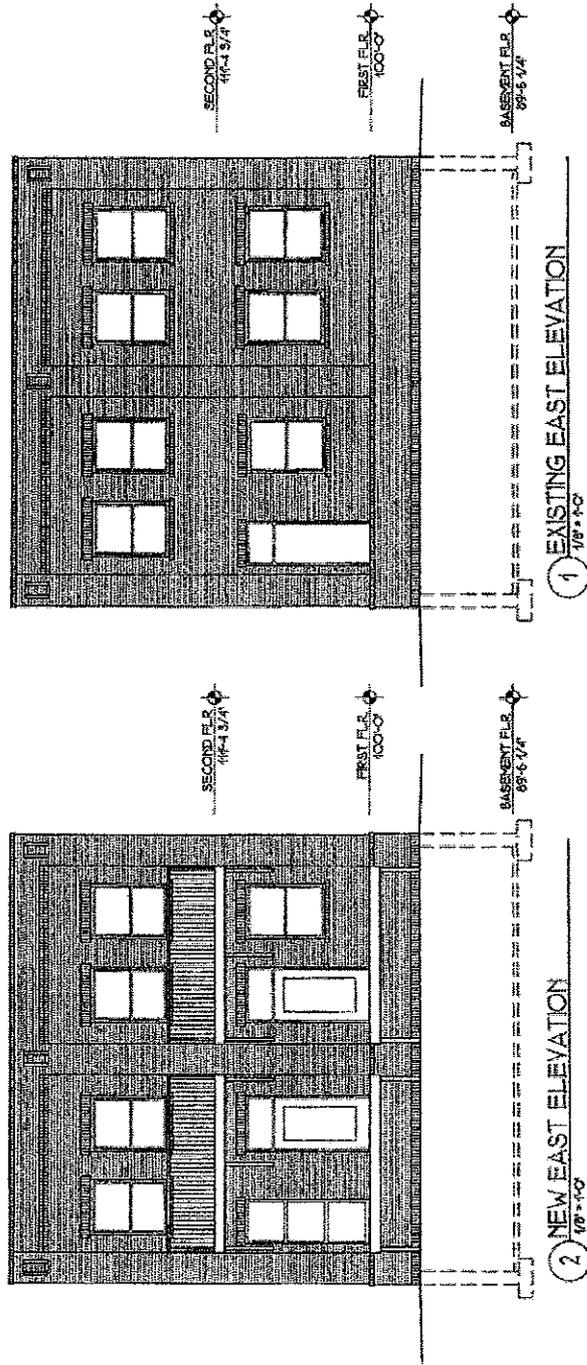
**M|B|A**

MUTCHLER HASTRUM ARCHITECTS, P.C.  
201 N. Broadway, Suite 101, Fargo, North Dakota 58102  
Phone: 701.785.0000 Fax: 701.785.0000

ELEVATIONS

Rev. 11/20/09

A4.1



**Staff Report Summary**  
**Project 181-F**  
**Sterling Development Group Nine, LLC**  
**506 Roberts Street**

This application was given a score of 85.0 on a 100-point scale. The applicant met Criteria 1, 2, and 3: use consistent with the Plan; exterior rehabilitation sufficient to eliminate all deteriorated conditions; and re-investment that totals no less than 50% of the true and full value. The proposal surpassed the local capital investment requirement of \$25 per square foot for commercial property.

This project is consistent with the Renaissance Zone Development Plan and other Downtown Plans. Residential uses are a high priority in the Renaissance Zone. This proposal will increase the activity that will take place within this vacant building and generate sidewalk activity that will enhance the entire block.

The amount invested in the project exceeds the state and local guidelines. The project does not involve the relocation of commercial businesses from another North Dakota city. This is not a historic preservation tax credit project, however the project will preserve the building that otherwise would have continued in to blight and decay.

This project will bring back to life a building that has long been rundown and vacant. The rehabilitation of this property and the subsequent activity that will be generated by the tenants will greatly improve the neighborhood and contribute to the health of the surrounding businesses. This is an outstanding project that will contribute to the further revitalization of the neighborhood.

Upon reviewing the notes from the recent retreat, the following “points of discussion” that were generated seemed to apply directly to this application:

- Community, not just a destination;
- Able to “do everything” in a neighborhood;
- Micro-neighborhoods
- “Peopling” Downtown;
- Existing opportunities; Blight, Underutilization, and Target Areas;
- Alignment (putting things in place);
- Easy access;
- Within a two-block radius there are: 2 churches, a hospital/clinic, a theater, 12 restaurants, 3 bars, a bike shop, a post office, a bus route, a coffee shop, several retail stores, and much, much more. This is an outstanding project that will contribute to the further revitalization of the neighborhood.