

PROPERTY TAX INCENTIVE APPLICATION FOR

CITY FLATS, LLC

(Jim Gilmour)

SUGGESTED MOTION:

Move to participate in the request for a payment in lieu of taxes (PILOT) incentive for a low income housing project in Fargo submitted by City Flats, LLC for a fifteen-year period.

OR

Move to **NOT** Move to participate in the request for a payment in lieu of taxes (PILOT) incentive for a low income housing project in Fargo submitted by City Flats, LLC for a fifteen-year period and to negotiate the terms of the property tax incentive with the city as described in N.D.C.C. Chapter 40-05-24.



ASSESSMENT DEPARTMENT

RECEIVED
CASS COUNTY COMMISSION

AUG 21 2019

August 20, 2019

Mary Scherling, Chairman
Cass County Commission
211 9th St. S.
Fargo, ND 58103

Ms. Scherling,

According to N.D.C.C. Chapter 40-05-24 (attached), if the City of Fargo anticipates granting a property tax incentive for more than five years, the Chairman of the County Commission must be notified by letter. Within thirty days of receipt of the letter, the County Commission shall notify the City of Fargo whether they intend to participate in the incentive.

The City of Fargo has received an application for a payment in lieu of tax (PILOT) incentive for a low income housing project. This project will be owned by a for-profit entity and will be in the Low Income Housing Tax Credit (LIHTC) program under Section 42 of the Internal Revenue Code. According to existing City of Fargo policy for granting incentives under this program, the amount of the PILOT payments, for 15 years, are determined based on a value arrived at using the projected actual gross income to be received under the LIHTC program in the initial year with an annual increase of 2%. The proposed PILOT payment schedule is attached.

The proposed PILOT payment schedule is in lieu of property tax on the project improvements. Land will continue to be assessed the real estate tax as normal.

Please respond at your earliest convenience with the determination made by the County Commission regarding the participation.

Thank you.

Ben Hushka

A handwritten signature in black ink that reads "Ben Hushka".

Fargo City Assessor

cc: Robert Wilson

40-05-24. Duties of cities granting property tax incentives.

1. Notwithstanding any other provision of law, before granting a property tax incentive on any parcel of property that is anticipated to receive a property tax incentive for more than five years, the governing body of a city shall send the chairman of each county commission and the president of each school district affected by the property tax incentive a letter, by certified mail, which provides notice of the terms of the proposed property tax incentive.
2. Within thirty days from receipt of the letter, each affected county and school district shall notify the city, in writing, whether the county or school district elects to participate in granting the tax incentive on the county or school district portion of tax levied on the property. The notification from a county or school district electing not to participate must include a letter explaining any reason for which the entity elected not to participate and whether the county or school district is willing to negotiate the terms of the property tax incentive with the city.
3. If the city does not receive a response from an affected county or school district within thirty days of delivery of the letter, the county and school district must be treated as participating in the property tax incentive.
4. The term "negotiation" as used in this section means the governing body of an affected county or school district may negotiate the terms of participating in the tax incentive, including the duration of the tax incentive and the taxable value selected for the base year for purposes of computing tax increments.
5. If an agreement is reached through negotiation under this section, the property tax incentive must be applied in accordance with the agreement.
6. Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section. (Effective for property tax incentives approved after July 31, 2017)

Payment In Lieu of Property Tax

Payment Schedule

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

PROJECT OPERATOR: City Flats, LLC

ASSUMPTIONS: \$5,700,000 improvement value

Initial year payment based on tax on the value of \$1,600,000 determined at 5.5 times gross restricted rent under LIHTC program, less projected land tax.

Annual PILOT Growth = 2%

PAYMENT SCHEDULE:

<u>YEAR</u>	<u>IN LIEU PAYMENT</u>
1	\$ 17,919
2	\$ 18,278
3	\$ 18,643
4	\$ 19,016
5	\$ 19,396
6	\$ 19,784
7	\$ 20,180
8	\$ 20,583
9	\$ 20,995
10	\$ 21,415
11	\$ 21,843
12	\$ 22,280
13	\$ 22,726
14	\$ 23,180
15	\$ 23,644

****Note** - The applicant will pay property tax on the land in addition to these in lieu payments.

**Application For Property Tax Incentives For
New or Expanding Businesses**

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

Project Operator's Application To City of Fargo
City or County

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

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

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new or expanding business <u>City Flats LLC</u>
2.	Address of project <u>1329 5th Avenue North</u> City <u>Fargo</u> County <u>Cass</u>
3.	Mailing address of project operator <u>24 S. Brooke Street</u> City <u>Fond du Lac</u> State <u>WI</u> Zip <u>54935</u>
4.	Type of ownership of project <input type="checkbox"/> Partnership <input type="checkbox"/> Subchapter S corporation <input type="checkbox"/> Individual proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input checked="" type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. <u>application in process</u>
6.	North Dakota Sales and Use Tax Permit No. <u>not applicable</u>
7.	If a corporation, specify the state and date of incorporation <u>Not applicable</u>
8.	Name and title of individual to contact <u>Erin Anderson</u> Mailing address <u>260 Wentworth Avenue E., Suite 130</u> City, State, Zip <u>West St. Paul, MN 55118</u> Phone No. <u>612.791.0496</u>

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific. <input type="checkbox"/> Property Tax Exemption <u> </u> Number of years <u>2021</u> Beginning year <u>2036</u> Ending year <u> </u> Percent of exemption <u> </u> Amount of annual payments (attach schedule if payments will vary)
10.	Which of the following would better describe the project for which this application is being made: <input checked="" type="checkbox"/> New business project <input type="checkbox"/> Expansion of a existing business project

Continuation Sheet to PILOT Application as information is cut off:

Question 13.b. Project description:

City Flats will be a five-story, wood frame constructed apartment building with 42 units, first floor covered parking and surface parking. The site improvements will include significant landscaping and a playground. The apartments will be affordable to residents at 80 percent area income and lower and will be financed through the low-income housing tax credit program. The building will have a mix of 1, 2- and 3-bedroom units.

Previous Business Activity

22. Is the project operator succeeding someone else in this or a similar business? Yes No

23. Has the project operator conducted this business at this or any other location either in or outside of the state?
 Yes No

24. Has the project operator or any officers of the project received any prior property tax incentives? Yes No

If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach additional sheets if necessary).
Payment in Lieu of Taxes for Historic Apartments on 4th in Mandan, ND and The Edge Artist Flats in Fargo, ND

Business Competition

25. Is any similar business being conducted by other operators in the municipality? Yes No

If YES, give name and location of competing business or businesses
Other affordable housing LIHTC development in Fargo include Herald Square, Dakota Pioneer Center and Graver Inn.

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

Property Tax Liability Disclosure Statement

26. Does the project operator own real property in North Dakota which has delinquent property tax levied against it? Yes No

27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? Yes No

If the answer to 26 or 27 is Yes, list and explain

Use Only When Reapplying

28. The project operator is reapplying for property tax incentives for the following reason(s):

- To present additional facts or circumstances which were not presented at the time of the original application
- To request continuation of the present property tax incentives because the project has:
 - moved to a new location
 - had a change in project operation or additional capital investment of more than twenty percent
 - had a change in project operators
- To request an additional annual exemption for the year of _____ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, Kristi Morgan, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

 Signature Vice President 8/20/19

 Title Date

SOURCES AND USES OF FUNDS

Sources of Funds

Equity			6,941,308
First Mortgage	Affordable Flexspace		604,943
Other: Soft debt	Housing Incentive Fund	4.2%	400,000
Other: City (TIF)	SOFT		-
Other: Housing Trust Fund	SOFT- 30 year deferred	0.00%	1,250,000
Other:			
Total Third Party Sources			9,196,248
FUNDING GAP		33.56%	260,391
TOTAL			9,456,639

	776,000
33.56%	(260,391)
	515,609
DFR	#DIV/0!

TOTAL USES
SURPLUS/DEFICIT

9,456,639
8,206,639
0.867817732

Use of Funds

Amount	Unit	Cost	9% Basis	4% Basis	Fed Hist	State Hist.
A. Land & Buildings						
Land	- A/unit	592,467	-	-	-	-
House & Lot	0% A/unit	-	-	-	-	-
Building	- A/unit	-	-	-	-	-
Subtotal		592,467	-	-	-	-
B. Site Work						
Environmental Remediation- In soft costs	- A/unit	-	-	-	-	-
Off-site improvements	- A/unit	50,000	-	-	-	-
Landscaping	- A/unit	100,000	-	-	-	-
Subtotal		150,000	-	-	-	-
C. Rehab & New Construction						
Rehab Construction Costs	- A/unit	-	-	-	-	-
New Construction	132,000.00 A/unit	5,544,000	5,544,000	-	-	-
Contingency		-	-	-	-	-
General Requirements	5.30%	301,782	301,782	301,782	-	-
Overhead	2.00%	113,880	113,880	113,880	-	-
Contractor P & L	5.50%	313,170	313,170	313,170	-	-
Subtotal	728,832.00	149,353	6,272,832	6,272,832	-	-
Construction Contract Amount including Contingency		152,924.57	6,422,832	-	-	-
Land & Hard Cost Subtotal		167,031	7,015,299	6,272,832	-	-
D. Architectural						
Architect - Design	3.77%	4,881	175,000	175,000	-	142,778.00
Architect - Supervision			30,000	30,000	-	152,925
Surveying			12,000	12,000	-	10,147
Engineering			25,000	25,000	-	5.95%
Geotech			15,000	15,000	-	
Plan Review			2,500	2,500	-	65,818
Third Party Fees			-	-	-	77,480
Subtotal			259,500	259,500	-	-

Keep Contingenc:

5,853,958
568,874
9.7%

142,778.00
152,925
10,147
5.95%

65,818
77,480

PROJECT FINANCIAL ANALYSIS
15 YEAR PRO FORMA

FOR:

Permanent Loan	
Rate:	1.000%
DCR:	1.200
Amort:	25
Constant	4.5225%
Annual Debt Service:	27,358
Mortgage Amount	604,943

	# Units	Variables	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
		Annual Total															
Average Annual % Inflation		2%															
Average Monthly Rental Rates																	
Housing Trust Fund	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Two Bedroom	2	463	11,112	11,334.24	11,560.92	11,792.14	12,027.99	12,268.55	12,513.92	12,764.20	13,019.48	13,279.87	13,545.47	13,816.38	14,092.70	14,374.56	14,662.05
Three Bedroom	2	537	12,888	13,145.76	13,408.68	13,676.85	13,950.39	14,229.39	14,513.98	14,804.26	15,100.35	15,402.35	15,710.40	16,024.61	16,345.10	16,672.00	17,005.44
One Bedroom	4	697	33,456	34,125.12	34,807.62	35,503.77	36,213.85	36,938.13	37,676.89	38,430.43	39,199.04	39,983.02	40,782.68	41,598.33	42,430.30	43,278.90	44,144.48
Two Bedroom	2	795	19,080	19,461.60	19,850.83	20,247.85	20,652.81	21,065.86	21,487.18	21,916.92	22,355.26	22,802.37	23,258.41	23,723.58	24,198.05	24,682.01	25,175.65
Three Bedroom	3	875	31,500	32,130.00	32,773	33,428	34,097	34,779	35,474	36,184	36,907	37,645	38,398	39,166	39,950	40,749	41,564
One Bedroom	-	782	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Two Bedroom	-	850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Three Bedroom	-	975	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One Bedroom	8	750	72,000	73,440	74,909	76,407	77,935	79,494	81,084	82,705	84,359	86,047	87,768	89,523	91,313	93,140	95,002
Two Bedroom	4	850	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804	48,760	49,735	50,730	51,744	52,779	53,835
Three Bedroom	4	1,000	48,000	48,960	49,939	50,938	51,957	52,996	54,056	55,137	56,240	57,364	58,512	59,682	60,876	62,093	63,335
	41																
Total Gross Rent Revenue			303,744	309,819	316,015	322,336	328,782	335,358	342,065	348,906	355,885	363,002	370,262	377,667	385,221	392,925	400,784
Commercial Space- Daycare			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry & Garage Income	5		2,460	2,509	2,559	2,611	2,663	2,716	2,770	2,826	2,882	2,940	2,999	3,059	3,120	3,182	3,246
Less Vacancy	7%		(21,262)	(21,687)	(22,121)	(22,563)	(23,015)	(23,475)	(23,945)	(24,423)	(24,912)	(25,410)	(25,918)	(26,437)	(26,965)	(27,505)	(28,055)
Total Income			284,942	290,641	296,454	302,383	308,430	314,599	320,891	327,309	333,855	340,532	347,343	354,289	361,375	368,603	375,975
Operating Expenses and Real Estate Taxes		Per Unit															
Annual % escalation		3%															
Office/Advertising	340		14,280	14,708	15,150	15,604	16,072	16,554	17,051	17,563	18,089	18,632	19,191	19,767	20,360	20,971	21,600
Personnel (Site Manager and Maintenance)	1,024		43,000	44,290	45,619	46,987	48,397	49,849	51,344	52,885	54,471	56,105	57,788	59,522	61,308	63,147	65,041
Utilities (Sewer/Water, Common Area, Trash)	857		39,000	40,170	41,375	42,616	43,895	45,212	46,568	47,965	49,404	50,886	52,413	53,985	55,605	57,273	58,991
Property Taxes	1,958		82,251	83,896	85,541	87,219	88,930	90,674	92,453	94,266	96,115	98,001	99,923	101,883	103,881	105,919	115,373
Property Tax Exemption			(64,332)	(65,618.64)	(66,931.01)	(68,269.63)	(69,635.03)	(71,027.73)	(72,448.28)	(73,897.25)	(75,375.19)	(76,882.70)	(78,420.35)	(79,988.76)	(81,588.53)	(83,220.30)	(84,884.71)
Insurance	349		14,660	15,100	15,553	16,019	16,500	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529	22,175
Other: Support Services	571		20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252
Repairs & Maint.	850		31,500	32,445	33,418	34,421	35,454	36,517	37,613	38,741	39,903	41,100	42,333	43,603	44,911	46,259	47,647
Property Mgmt.	0		19,938	20,536	21,152	21,787	22,440	23,113	23,807	24,521	25,257	26,014	26,795	27,599	28,427	29,279	30,158
Accounting/Audit	131		5,500	5,665	5,835	6,010	6,190	6,376	6,567	6,764	6,967	7,176	7,392	7,613	7,842	8,077	8,319
NDHFA Compliance	35		2,025	2,086	2,148	2,213	2,279	2,348	2,418	2,490	2,565	2,642	2,721	2,803	2,887	2,974	3,063
Replacement Reserve	400		16,800	17,304	17,823	18,358	18,909	19,476	20,060	20,662	21,282	21,920	22,578	23,255	23,953	24,671	25,412
Total Operating Expenses	6,516		224,622	231,181	237,901	244,819	251,941	259,272	266,818	274,587	282,585	290,818	299,294	308,019	317,002	326,249	334,145
Net Operating Income			60,320	59,460	58,553	57,564	56,490	55,327	54,072	52,721	51,270	49,714	48,049	46,270	44,374	42,354	32,830
Total Debt Service Payment by Partnership			27,358	27,358	27,358	27,358	27,358	27,358	27,358	27,358	27,358	27,358	27,358	27,358	27,358	27,358	27,358
Cash Flow			32,962	32,101	31,194	30,205	29,131	27,969	26,714	25,363	23,912	22,355	20,690	18,912	17,015	14,986	5,472
Accumulated Cash Flow			32,962	65,063	96,257	126,462	155,594	183,563	210,277	235,640	259,551	281,907	302,599	321,509	338,525	353,520	358,992
Debt Service Coverage - Hard Only			2.20	2.17	2.14	2.10	2.06	2.02	1.98	1.93	1.87	1.82	1.76	1.69	1.62	1.55	1.20

City Flats LIHTC	Initial Year GI \$379,619
Parcel Number	01-8680-00100-000
Address	1329 S Ave S
Date Application Received	9/14/2018
1st Publication Date	
2nd Publication Date	
JRC Meeting Date	9/25/2018
Commission Hearing Date	
Notice Delivery To School/County	
School/County 30-Day Response	
Exemption Type	PILOT
Estimated Improvements Value	\$5,700,000
Building Value to Remain Taxable	\$0
Current Land Value	\$358,200
Estimated Improvements Value	\$5,700,000
Anticipated Tax Growth	2.0%
Current Mill Levy	289.60
Number of Years Granted	15
Discount Rate (for Present Value)	4.50%
Total Gross Estimated Benefit	\$1,112,517
Present Value of Benefit	\$164,400

City Flats LIHTC - With PILOT participation by all taxing entities						
Tax Year	% Ex	PILOT Pymt	Full Bldg Tax	Benefit	PV of Benefit	PILOT & Tax
1	78%	\$17,919	\$82,251	\$54,332	\$61,600	\$23,088
2	78%	\$18,278	\$83,896	\$55,618	\$60,100	\$23,446
3	78%	\$18,643	\$85,574	\$66,931	\$58,700	\$23,812
4	78%	\$19,016	\$87,285	\$68,269	\$57,200	\$24,185
5	78%	\$19,396	\$89,031	\$69,635	\$55,900	\$24,566
6	78%	\$19,784	\$90,812	\$71,028	\$54,500	\$24,953
7	78%	\$20,180	\$92,628	\$72,448	\$53,200	\$25,349
8	78%	\$20,583	\$94,481	\$73,897	\$52,000	\$25,752
9	78%	\$20,995	\$96,370	\$75,375	\$50,700	\$26,164
10	78%	\$21,415	\$98,298	\$76,882	\$49,500	\$26,684
11	78%	\$21,843	\$100,264	\$78,420	\$48,300	\$27,212
12	78%	\$22,280	\$102,269	\$79,989	\$47,200	\$27,449
13	78%	\$22,729	\$104,314	\$81,588	\$46,000	\$27,896
14	78%	\$23,180	\$106,400	\$83,220	\$44,900	\$28,349
15	78%	\$23,644	\$108,528	\$84,884	\$43,900	\$28,813
TOTALS		\$309,884	\$1,422,401	\$1,112,517	\$783,700	\$387,416
Building Tax to Remain		\$0	Current Land Tax	\$5,169		

If County opted out of this incentive, PILOT Pymt + County Addl Share will be the PILOT Payment in addition to Land Tax									
County Share PILOT	County Addl PILOT	County Share Impr Tax	Full Impr Net Tax	Benefit	PILOT & Tax	% Ex	Benefit	PV of Benefit	
\$3,225	\$10,995	\$14,222	\$82,251	\$53,336	\$34,084	65%	\$19,252	\$18,400	
\$3,290	\$10,932	\$14,222	\$82,251	\$53,042	\$34,378	65%	\$18,664	\$17,100	
\$3,356	\$10,868	\$14,222	\$82,251	\$52,742	\$34,678	66%	\$18,064	\$15,800	
\$3,423	\$10,799	\$14,222	\$82,251	\$52,436	\$34,983	66%	\$17,453	\$14,600	
\$3,491	\$10,730	\$14,222	\$82,251	\$52,125	\$35,295	66%	\$16,829	\$13,500	
\$3,561	\$10,660	\$14,222	\$82,251	\$51,806	\$35,613	66%	\$16,193	\$12,400	
\$3,632	\$10,589	\$14,222	\$82,251	\$51,482	\$35,938	67%	\$15,544	\$11,400	
\$3,705	\$10,518	\$14,222	\$82,251	\$51,151	\$36,269	67%	\$14,882	\$10,500	
\$3,779	\$10,442	\$14,222	\$82,251	\$50,813	\$36,606	67%	\$14,207	\$9,600	
\$3,855	\$10,367	\$14,222	\$82,251	\$50,469	\$36,951	68%	\$13,516	\$8,700	
\$3,932	\$10,290	\$14,222	\$82,251	\$50,118	\$37,302	68%	\$12,816	\$7,900	
\$4,010	\$10,211	\$14,222	\$82,251	\$49,760	\$37,660	68%	\$12,100	\$7,100	
\$4,091	\$10,131	\$14,222	\$82,251	\$49,394	\$38,026	69%	\$11,369	\$6,400	
\$4,172	\$10,049	\$14,222	\$82,251	\$49,022	\$38,398	69%	\$10,623	\$5,700	
\$4,256	\$9,966	\$14,222	\$82,251	\$48,641	\$38,778	69%	\$9,863	\$5,100	
TOTALS	\$157,543			\$766,338	\$544,960		\$221,378	\$164,200	

FULL PARTICIPATION	
Initial year effective gross income	\$284,842
Gross Income Multiplier	5.5
Implied Tax Value	\$1,600,000
Projected tax	\$23,088
Less estimated land tax	(\$5,169)
PILOT PAYMENT	\$17,919
ESTIMATED LAND TAX	\$5,169
INITIAL YEAR PILOT & RE Tax	\$23,088
PROJECTED VALUE	\$5,700,000
PROJECTED TOTAL TAX	\$82,251
EQUIVILANT % EXEMPT	78%

NO COUNTY PARTICIPATION	
Initial year effective gross income	\$284,842
Gross Income Multiplier	5.5
Implied Tax Value	\$1,600,000
Projected tax	\$23,088
Less estimated land tax	(\$5,169)
PILOT PAYMENT	\$28,915
ESTIMATED LAND TAX	\$5,169
INITIAL YEAR PILOT & RE Tax	\$34,084
PROJECTED VALUE	\$5,700,000
PROJECTED TOTAL TAX	\$82,251
EQUIVILANT % EXEMPT	65% - 69%

CALCULATION OF ADDITIONAL TAX DUE TO COUNTY						
Land Value	Improve Value	Year	Mill Levy	CO Levy	%	Full Impr Net Tax
\$358,200	\$5,700,000	1	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	2	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	3	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	4	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	5	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	6	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	7	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	8	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	9	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	10	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	11	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	12	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	13	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	14	288.60	49.90	17.3%	\$82,251
\$358,200	\$5,700,000	15	288.60	49.90	17.3%	\$82,251

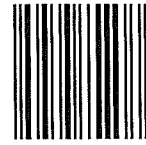


ASSESSOR'S OFFICE
225 4th Street North
Fargo, ND 58102-4817

Return Service Requested



1000



58103

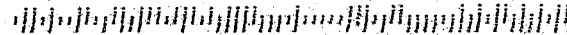
U.S. POSTAGE PAID
FCM LETTER
FARGO, ND
58102
AUG 20, 19
AMOUNT

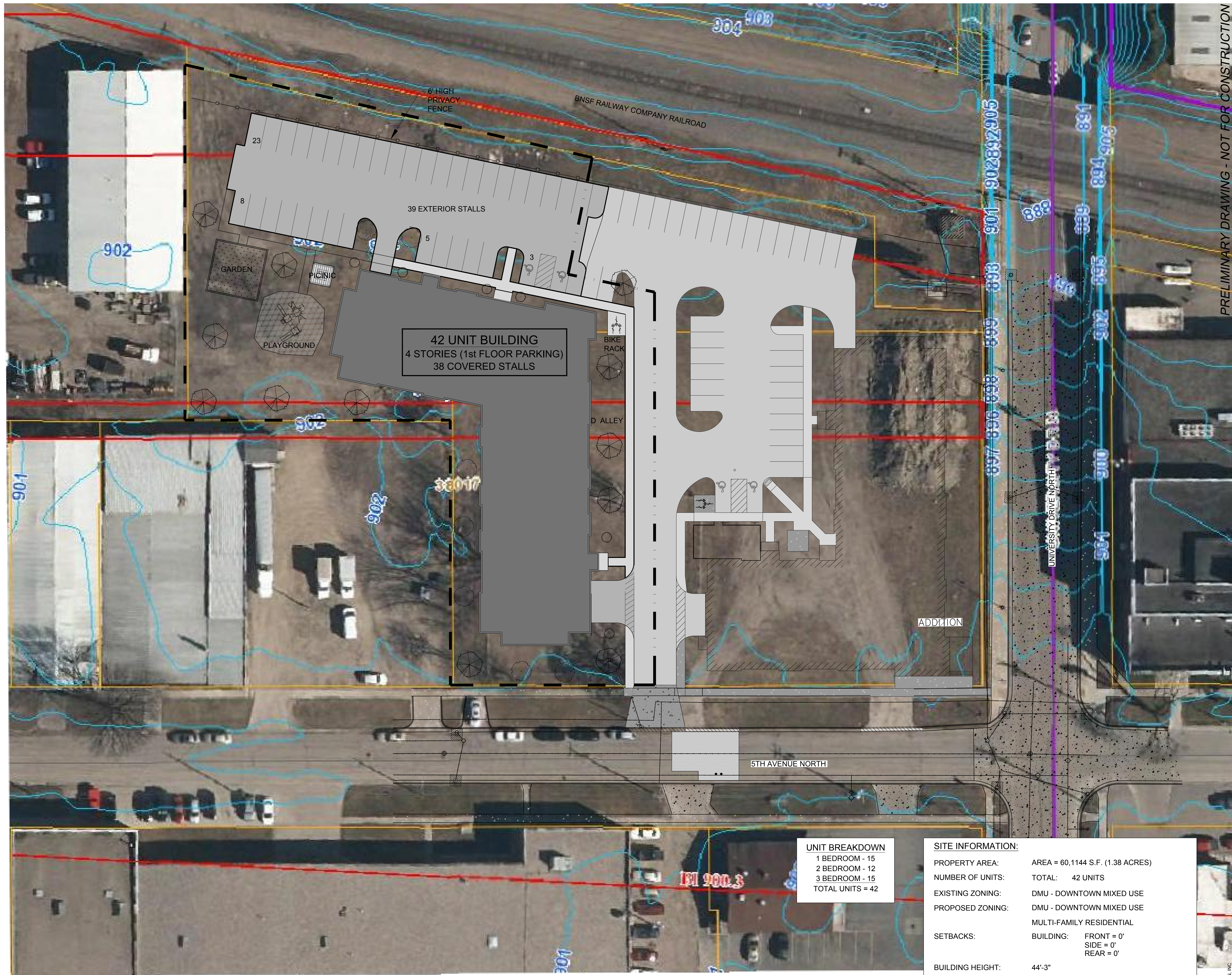
\$0.70

R2304M115991-07

Mary Scherling, Chairman
Cass County Commission
211 9th St. S.
Fargo, ND 58103

POSTNET





UNIT BREAKDOWN	
1 BEDROOM -	15
2 BEDROOM -	12
3 BEDROOM -	15
TOTAL UNITS =	42

SITE INFORMATION:	
PROPERTY AREA:	AREA = 60,1144 S.F. (1.38 ACRES)
NUMBER OF UNITS:	TOTAL: 42 UNITS
EXISTING ZONING:	DMU - DOWNTOWN MIXED USE
PROPOSED ZONING:	DMU - DOWNTOWN MIXED USE MULTI-FAMILY RESIDENTIAL
SETBACKS:	BUILDING: FRONT = 0' SIDE = 0' REAR = 0'
BUILDING HEIGHT:	44'-3"
PARKING PROVIDED:	39 EXTERIOR STALLS (2 H.C. ACCESSIBLE) 38 COVERED STALLS (2 H.C. ACCESSIBLE) 77 TOTAL STALLS

PRELIMINARY SITE PLAN
SCALE: 1" = 20'-0"

PRELIMINARY SHEET DATES:
08-27-2019

M+A DESIGN, INC.
25 SOUTH MAIN STREET
FOND DU LAC, WISCONSIN 54935
I.petrie@maesigninc.net (920) 922-8170

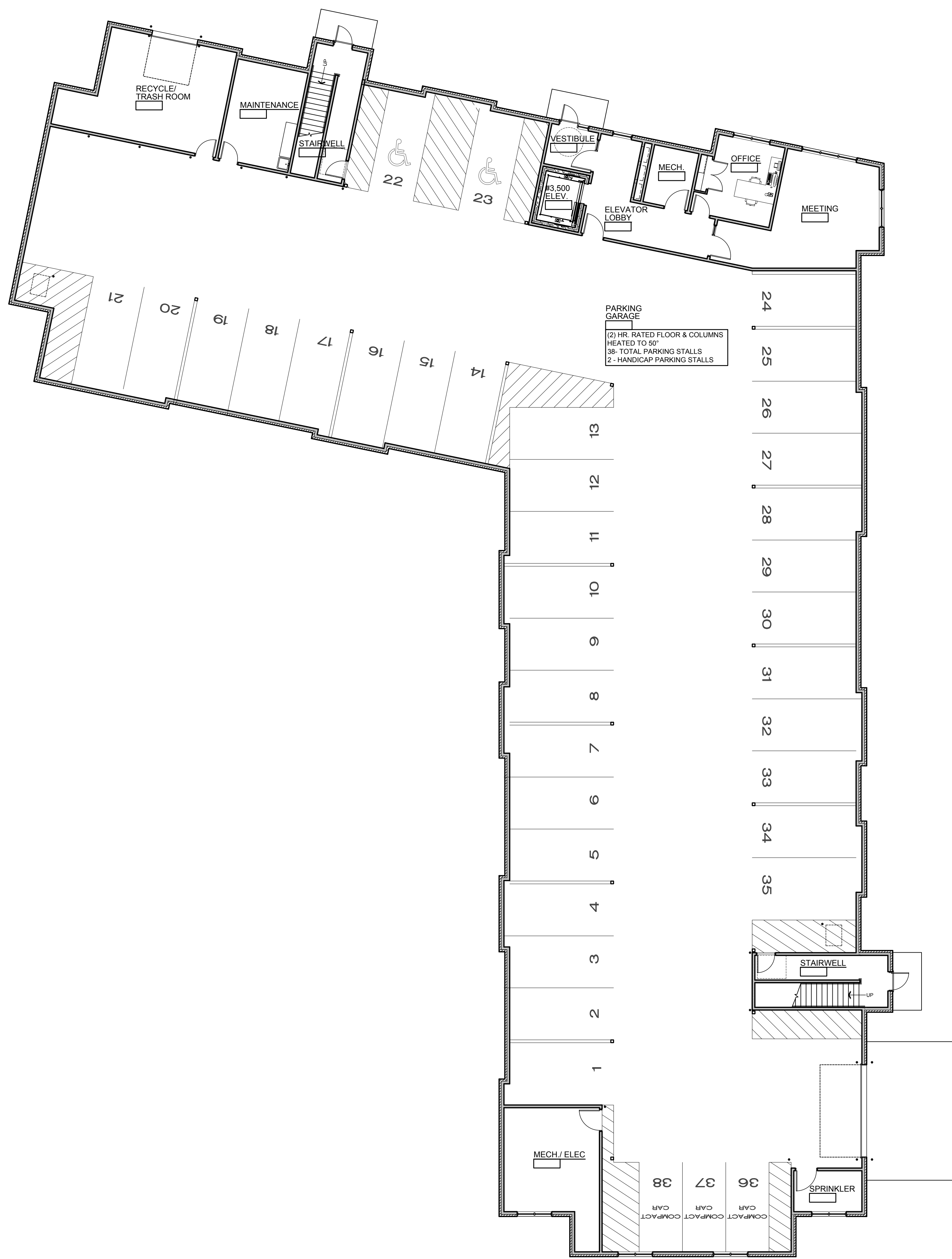
COMMONWEALTH COMPANIES
9 SHEBOYGAN STREET
FOND DU LAC, WISCONSIN 54935
(920) 922-8170 FAX: (920) 922-8171

NEW PROJECT FOR:
CITY FLATS
5th AVE N
FARGO, ND

JOB NUMBER:
2018.28
SHEET
C1.0

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

2018 © M+A DESIGN, INC.



UNIT BREAKDOWN		GROSS SF BREAKDOWN	
1 BEDROOM - 9	(2 'A' UNITS)	1ST FLOOR	17,225 SF
2 BEDROOM - 24	(5 'A' UNITS)	2ND FLOOR	16,980 SF
3 BEDROOM - 15	(3 'A' UNITS)	3RD FLOOR	16,980 SF
TOTAL UNITS = 42		4TH FLOOR	16,980 SF
		TOTAL	68,165 SF

FIRST FLOOR PLAN

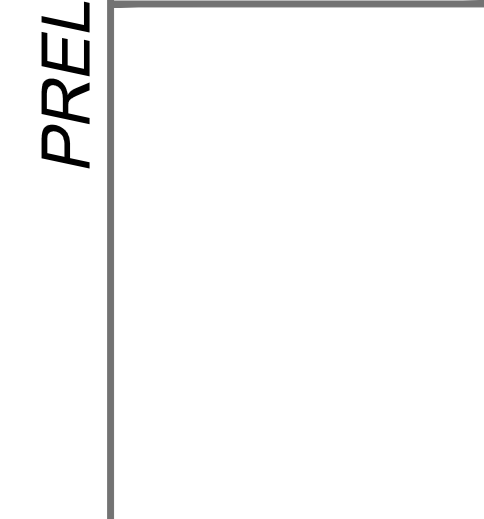
SCALE: 3/32" = 1'-0"

PRELIMINARY SHEET DATES:

08-27-2019

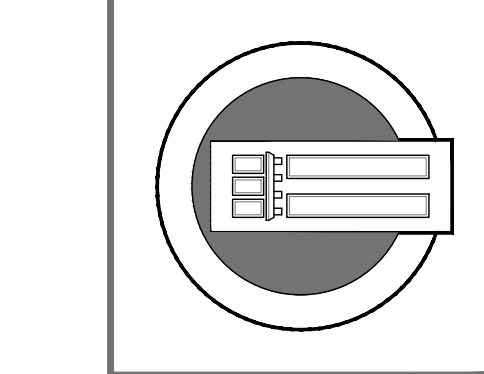
M+A DESIGN, INC.

25 SOUTH MAIN STREET
FOND DU LAC, WISCONSIN 54935
l.petrie@madesigninc.net (920) 922-8170



COMMONWEALTH COMPANIES

9 SHEBOYGAN STREET
FOND DU LAC, WISCONSIN 54935
(920) 922-8170 FAX: (920) 922-8171



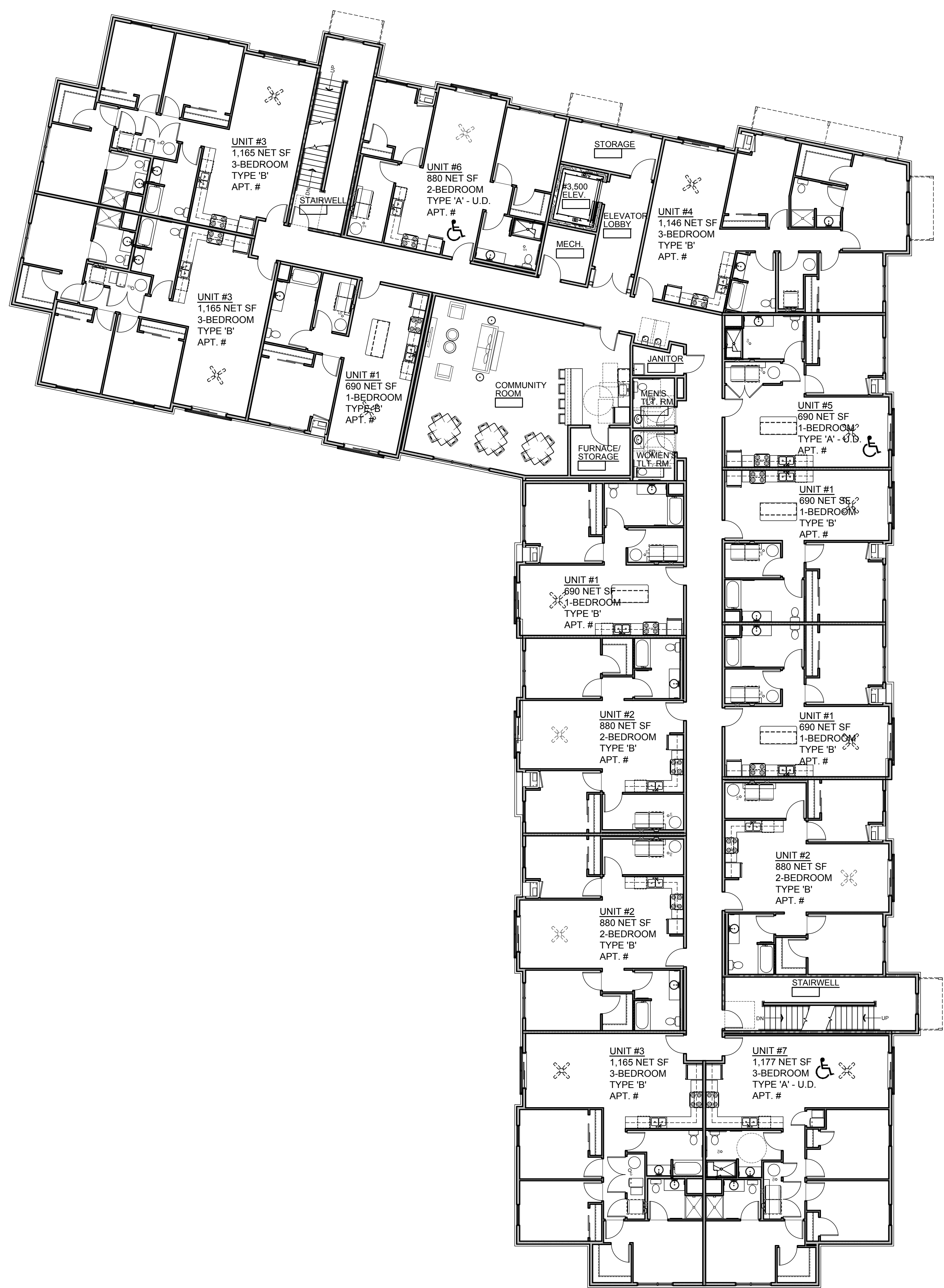
NEW PROJECT FOR:
CITY FLATS

5th AVE. N
FARGO, ND

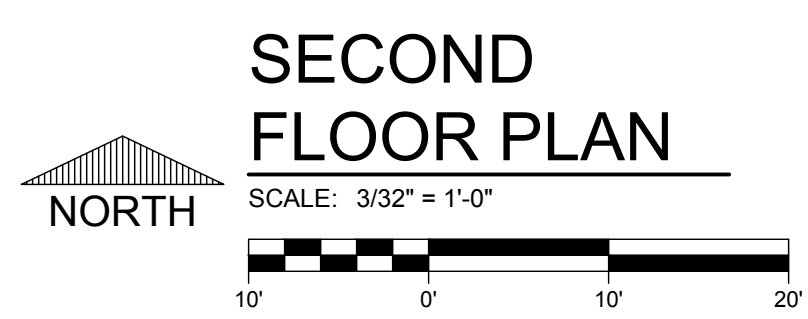
JOB NUMBER:	2018.28
SHEET	A1.1

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PRELIMINARY DRAWING - NOT FOR CONSTRUCTION



UNIT BREAKDOWN		GROSS SF BREAKDOWN	
1 BEDROOM - 9	(2 'A' UNITS)	1ST FLOOR	17,225 SF
2 BEDROOM - 24	(5 'A' UNITS)	2ND FLOOR	16,980 SF
3 BEDROOM - 15	(3 'A' UNITS)	3RD FLOOR	16,980 SF
TOTAL UNITS = 42		4TH FLOOR	16,980 SF
		TOTAL	68,165 SF



PRELIMINARY SHEET DATES:

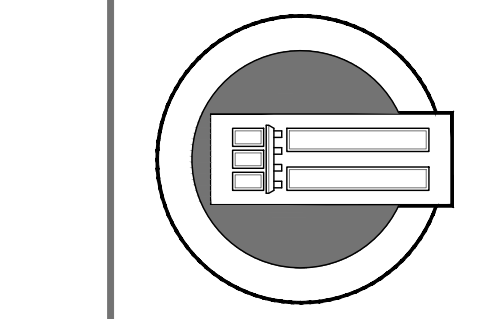
08-27-2019

M+A DESIGN, INC.

25 SOUTH MAIN STREET
FOND DU LAC, WISCONSIN 54935
I.petrie@madesigninc.net (920) 922-8170

COMMONWEALTH COMPANIES

9 SHEBOYGAN STREET
FOND DU LAC, WISCONSIN 54935
(920) 922-8170 FAX: (920) 922-8171



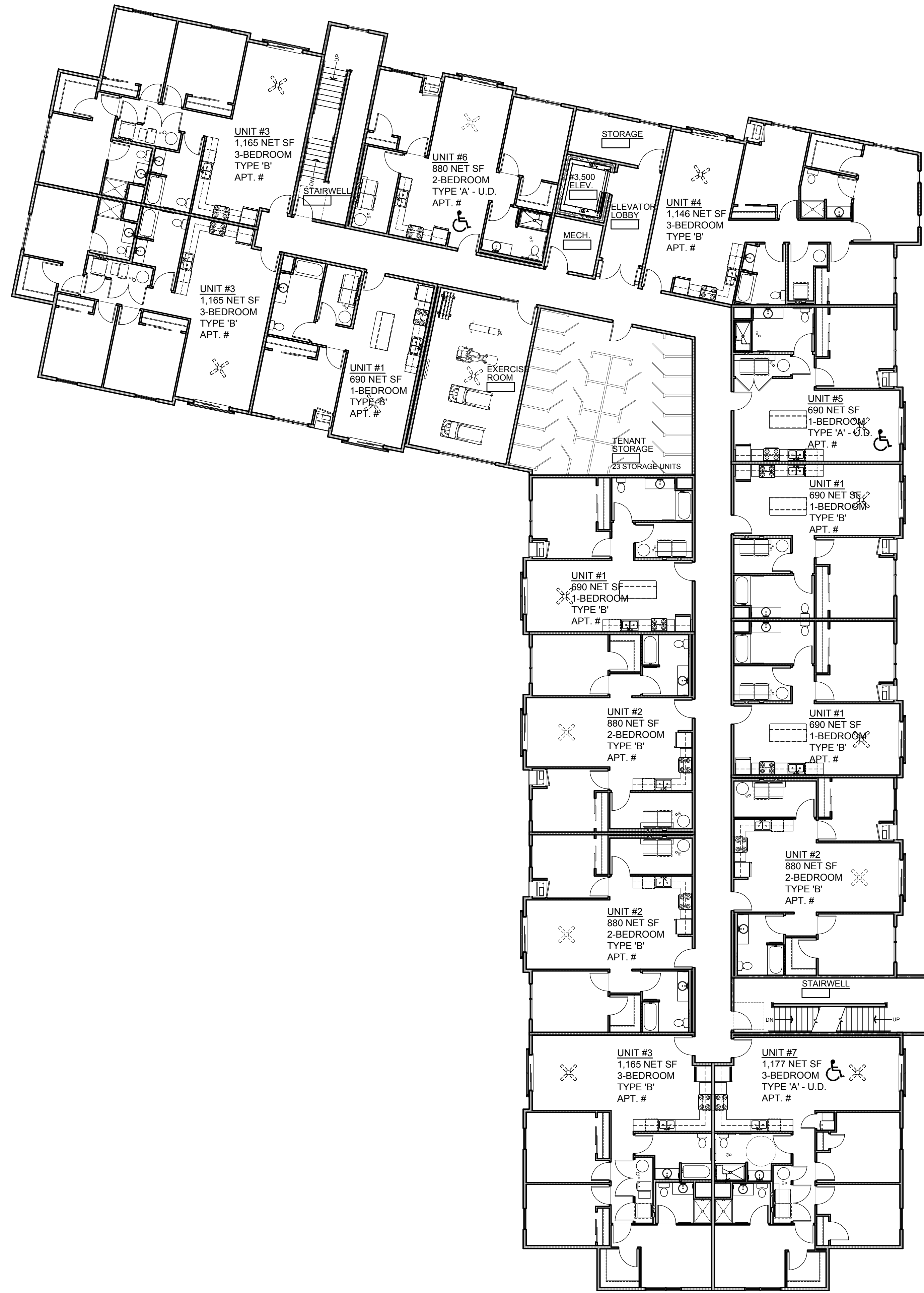
NEW PROJECT FOR:
CITY FLATS
5th AVE. N
FARGO, ND

JOB NUMBER:
2018.28

SHEET
A1.2

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

2018 © M+A DESIGN, INC.



UNIT BREAKDOWN		GROSS SF BREAKDOWN	
1 BEDROOM - 9	(2 'A' UNITS)	1ST FLOOR	17,225 SF
2 BEDROOM - 24	(5 'A' UNITS)	2ND FLOOR	16,980 SF
3 BEDROOM - 15	(3 'A' UNITS)	3RD FLOOR	16,980 SF
TOTAL UNITS = 42		4TH FLOOR	16,980 SF
		TOTAL	68,165 SF

THIRD FLOOR PLAN

SCALE: 3/32" = 1'-0"

PRELIMINARY SHEET DATES:

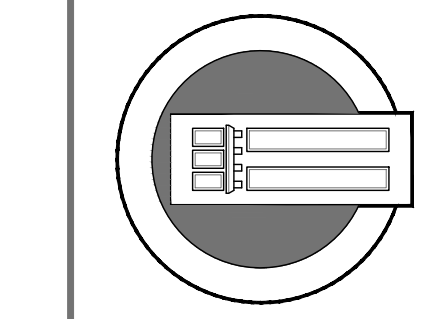
08-27-2019

M+A DESIGN, INC.

25 SOUTH MAIN STREET
FOND DU LAC, WISCONSIN 54935
I.petrie@madesigninc.net (920) 922-8170

COMMONWEALTH COMPANIES

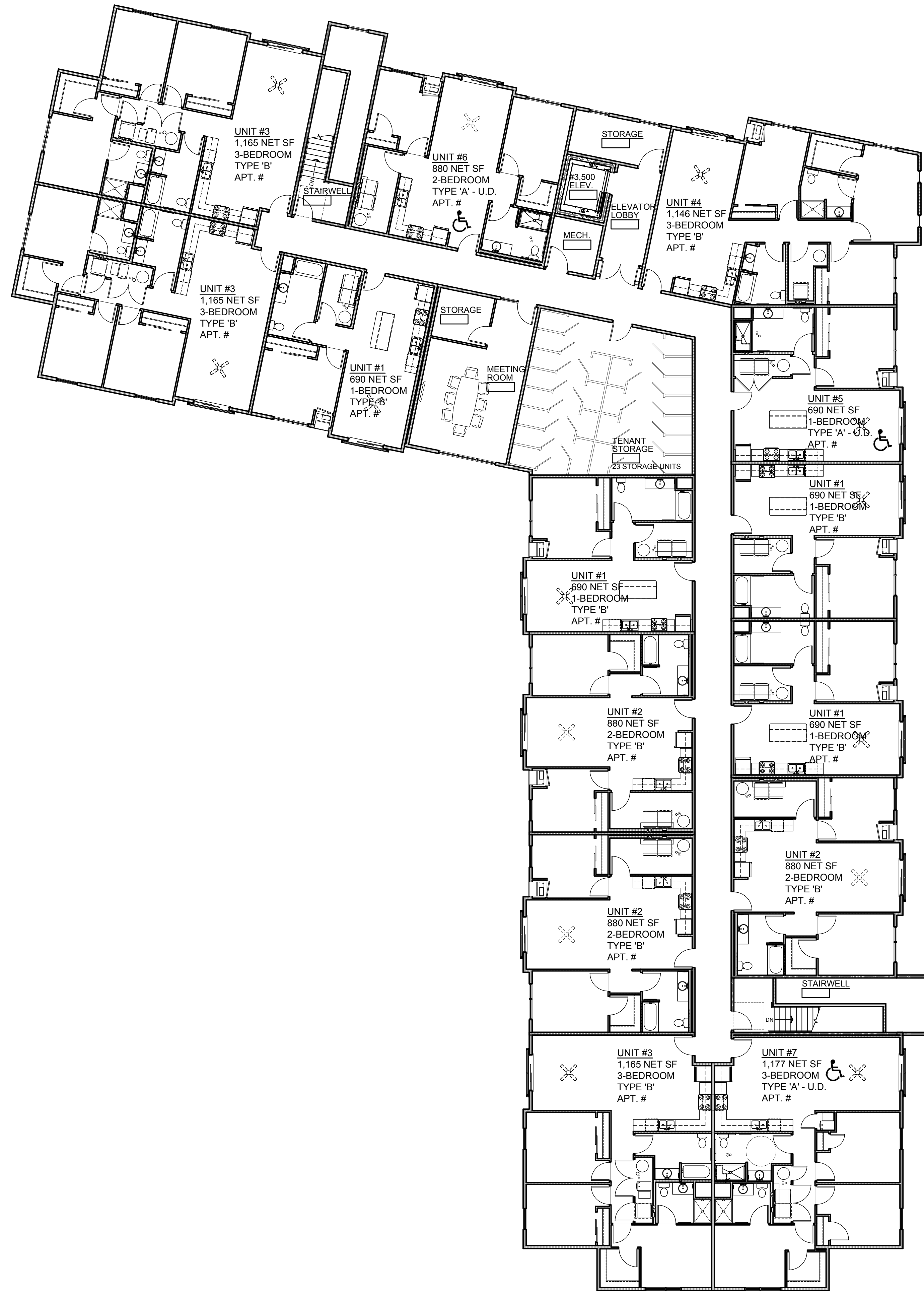
9 SHEBOYGAN STREET
FOND DU LAC, WISCONSIN 54935
(920) 922-8170 FAX: (920) 922-8171



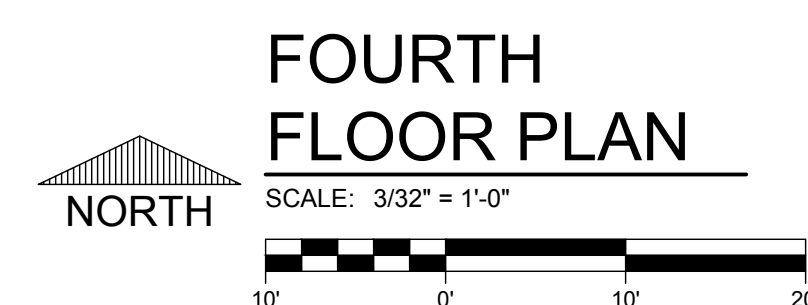
NEW PROJECT FOR:
CITY FLATS
5th AVE. N
FARGO, ND

JOB NUMBER:	2018.28
SHEET	A1.3

2018 © M+A DESIGN, INC. PRELIMINARY DRAWING - NOT FOR CONSTRUCTION



UNIT BREAKDOWN		GROSS SF BREAKDOWN	
1 BEDROOM - 9	(2 'A' UNITS)	1ST FLOOR	17,225 SF
2 BEDROOM - 24	(5 'A' UNITS)	2ND FLOOR	16,980 SF
3 BEDROOM - 15	(3 'A' UNITS)	3RD FLOOR	16,980 SF
		4TH FLOOR	16,980 SF
TOTAL UNITS = 42		TOTAL	68,165 SF



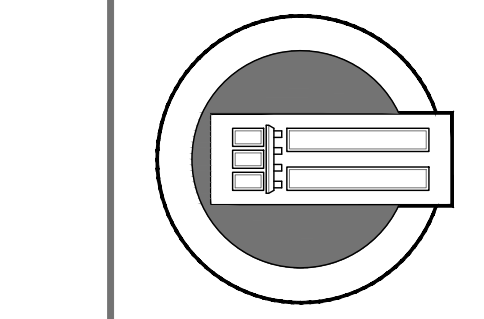
FOURTH FLOOR PLAN

PRELIMINARY SHEET DATES:

08-27-2019

M+A DESIGN, INC.
 25 SOUTH MAIN STREET
 FOND DU LAC, WISCONSIN 54935
 I.petrie@madesigninc.net (920) 922-8170

COMMONWEALTH COMPANIES
 9 SHEBOYGAN STREET
 FOND DU LAC, WISCONSIN 54935
 (920) 922-8170 FAX: (920) 922-8171



NEW PROJECT FOR:
CITY FLATS
 5th AVE. N
 FARGO, ND

JOB NUMBER:
2018.28

SHEET
A1.4

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

2018 © M+A DESIGN, INC.

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

EXTERIOR COLORS		
MATERIAL	MFG	COLOR
6" HORIZONTAL FIBER CEMENT SMOOTH FINISH SIDING	LP SMARTSIDE	SW KEYSTONE GRAY
6" VERTICAL FIBER CEMENT SMOOTH FINISH PANEL	LP SMARTSIDE	SW 6887 NAVEL
FIBER CEMENT CORNER TRIM	LP SMARTSIDE	MATCH ADJACENT COLOR
FIBER CEMENT BELLY BAND	LP SMARTSIDE	WHITE
FIBER CEMENT WINDOW AND PATIO DOOR TRIM	LP SMARTSIDE	WHITE
VINYL SLIDING PATIO DOOR	ALLIANCE	WHITE
VINYL WINDOWS	ALLIANCE	WHITE
FIBER CEMENT PANEL AND TRIM	LP SMARTSIDE	SW KEYSTONE GRAY
ALUMINUM CANOPY	MAPES	BLACK
ALUMINUM STOREFRONT FRAMES & DOORS	KAWNEER	BLACK
ALUMINUM RAILINGS	FORTRESS RAILING	BLACK SAND
SOFFIT & FASCIA & DRIP EDGE	ACM	BLACK
OVERHEAD DOOR	CLOPAY	GRAY
4" MODULAR BRICK	INTERSTATE BRICK	MOCHA
PRECAST BAND, HEAD & SILL	INTERSTATE BRICK	GRAY
MAGIC PAK GRILLE AND ALL PENETRATION VENTS	PAINTED	MATCH ADJACENT MATERIAL COLOR

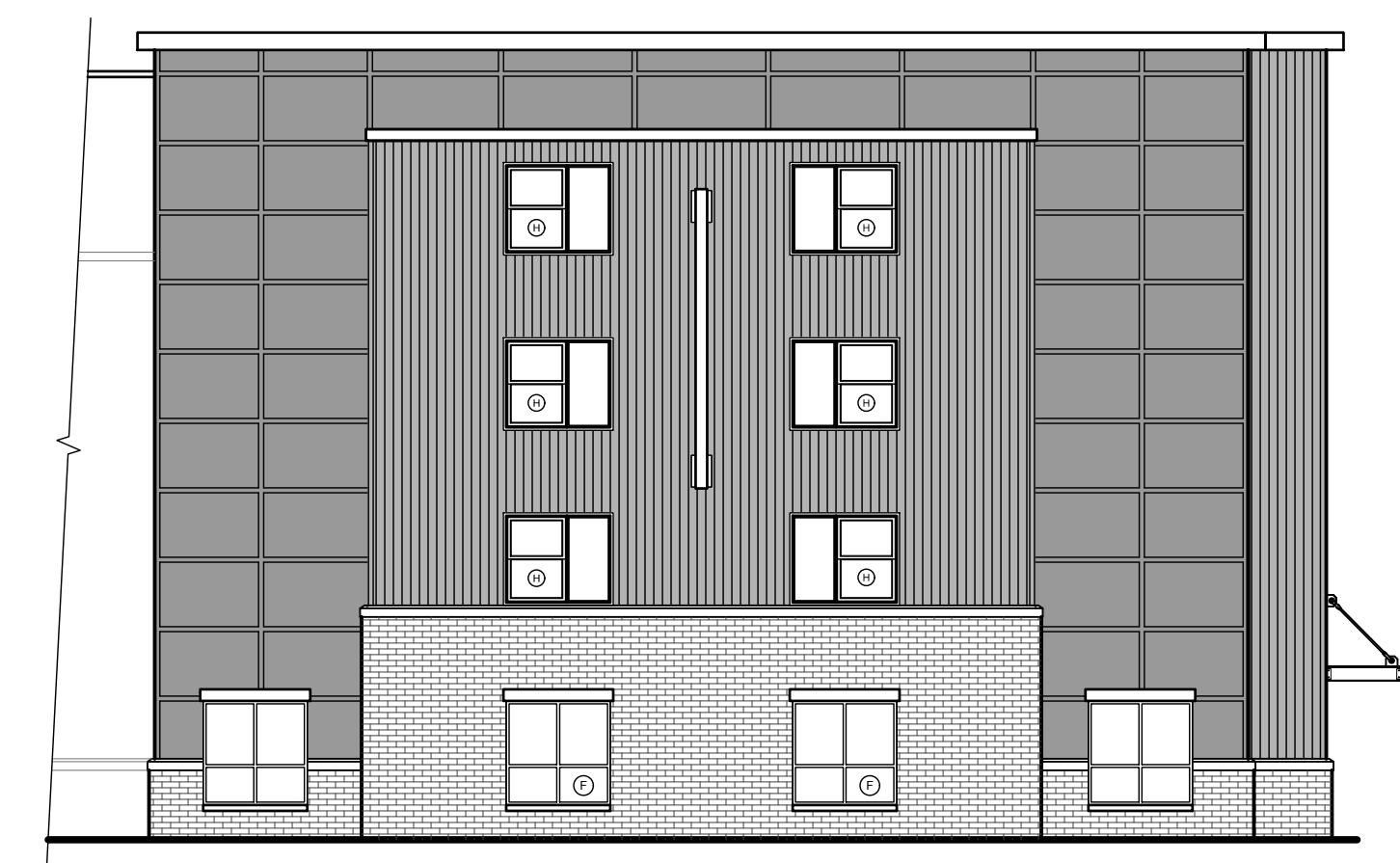
- ALL COLORS AND MATERIALS SAMPLES TO BE SUBMITTED FOR APPROVAL WITH OWNER BEFORE ORDERING AND INSTALLATION.

WINDOW SCHEDULE			
SYM	MATL	DESCRIPTION	NOM. UNIT SIZE W x H
(A)	VINYL	SINGLE HUNG WINDOW	UNIT: 3'-0" X 5'-0"
(B)	VINYL	SINGLE HUNG WINDOW W/ FIXED SIDE	S.H. UNIT: 3'-0" X 5'-0" FIXED UNIT: 2'-6" X 5'-0"
(C)	VINYL	ADA SINGLE HUNG WINDOW	UNIT: 3'-0" X 5'-0"
(D)	VINYL	ADA SINGLE HUNG WINDOW W/ FIXED SIDE	S.H. UNIT: 3'-0" X 5'-0" FIXED UNIT: 2'-6" X 5'-0"
(E)	VINYL	SINGLE HUNG WINDOW	FIXED UNIT: 2'-0" X 5'-0"
(F)	VINYL	FIXED WINDOW W/ 100% OPAQUE GLAZING	UNIT: 6'-0" X 6'-0"
(G)	ROUND CONTROL VINYL	SINGLE HUNG WINDOW	UNIT: 3'-0" X 5'-0"
(H)	ROUND CONTROL VINYL	SINGLE HUNG WINDOW W/ FIXED SIDE	S.H. UNIT: 3'-0" X 5'-0" FIXED UNIT: 2'-6" X 5'-0"

ENERGY STAR WINDOWS
 ASTERS () INDICATES WINDOWS SHALL MEET MIN. SIZE REQUIREMENTS IN SLEEPING ROOMS PER IRC:
 • 20" CLEAR WIDTH
 • 24" CLEAR HEIGHT
 • 5" MIN. IS
 - PER IRC SAFETY GLAZING ADJACENT TO A DOOR WHERE THE NEAREST EXPOSED EDGE OF THE GLAZING IS WITHIN 24"
 - WINDOW MANUFACTURER SHALL REVIEW WINDOW LOCATIONS AND PROVIDE SAFETY GLAZING IN ALL LOCATIONS REQUIRED BY IRC.
 - ALL PROPOSED RANGE HOOD VENT, DRYER VENT, AND BATHROOM VENTS TO EXTERIOR SHALL BE PAINTED TO MATCH ADJACENT COLOR.
 - SEE TYP. UNIT FLOOR PLANS FOR ALL ADA WINDOW LOCATIONS.
 - REFER TO DETAIL 18A4.0 FOR ADA WINDOW SASH REQUIREMENTS, WINDOW OPENING CONTROL DEVICES SHALL COMPLY WITH ASTM F2090. THE WINDOW OPENING CONTROL DEVICE, AFTER OPERATION TO RELEASE THE CONTROL DEVICE ALLOWING THE WINDOW TO FULLY OPEN, SHALL NOT REDUCE THE MINIMUM NET CLEAR PASSAGE AREA OF THE WINDOW UNIT TO LESS THAN THE AREA EGRESS REQUIREMENT. OPERABLE SECTIONS OF WINDOWS SHALL NOT PERMIT OPENINGS THAT ALLOW PASSAGE OF 4-4 INCH DIAMETER (102 MM) SPHERE WHERE SUCH OPENINGS ARE LOCATED WITHIN 36 INCHES (914 MM) OF THE FINISHED FLOOR.
 - SEE SPEC FOR SOUND CONTROL WINDOWS AND SLIDING DOORS REQUIRED



SOUTHWEST ELEVATION
SCALE: 3/32" = 1'-0"



SOUTH ELEVATION
SCALE: 3/32" = 1'-0"

TOTAL SOUTH ELEVATION LF: 65'-8" LF
 TOTAL SOUTH GLAZING LF: 28'-0" LF
 TOTAL PERCENTAGE GLAZING PROVIDED: 38%
 DMU: DOWNTOWN MIXED USE DISTRICT REQUIREMENT: 35%

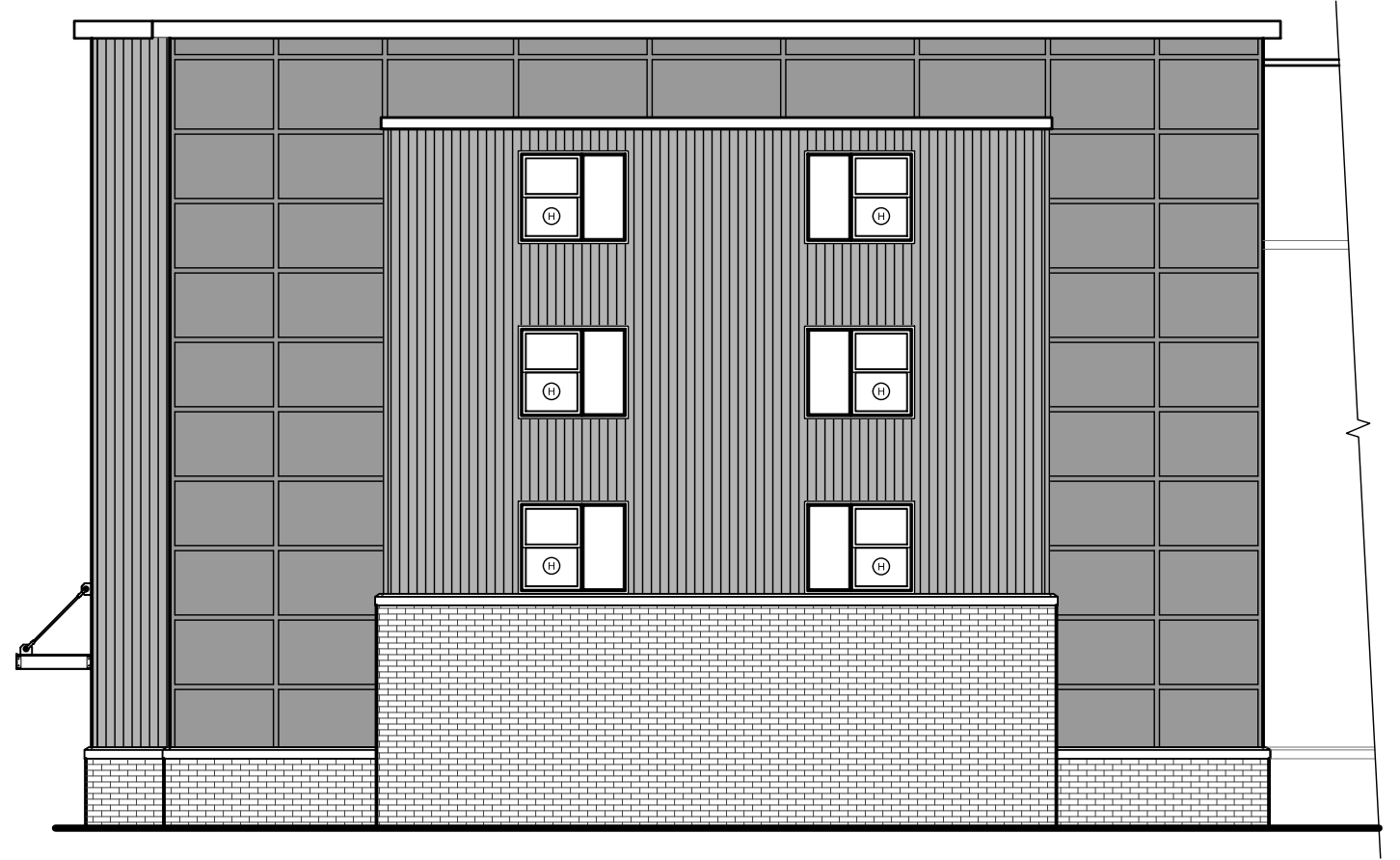


EAST ELEVATION
SCALE: 3/32" = 1'-0"



NORTH ELEVATION
SCALE: 3/32" = 1'-0"

TOP OF PARAPET
EL. = 74'-0"
TOP OF PARAPET
EL. = 74'-0"
WITH FIBER CEMENT TRUSS BRACING
EL. = 74'-0"
FOURTH FLOOR
EL. = 52'-0"
FOURTH FLOOR
EL. = 52'-0"
THIRD FLOOR
EL. = 42'-0"
THIRD FLOOR
EL. = 42'-0"
SECOND FLOOR
EL. = 32'-0"
FIRST FLOOR
EL. = 22'-0"



NORTHWEST ELEVATION
SCALE: 3/32" = 1'-0"



WEST ELEVATION
SCALE: 3/32" = 1'-0"

Application Comparison

The Edge Artist Flats - August 2017				The Edge 2 - August 2018			City Flats - August 2019	
INCOME	Unit Type	# Units	Rent Rate	# Units	Rate	# Units	Rate	
30% County Median Income	One-Bed	2	Zero	2	Zero	3	Zero	
	Two-Bedroom - Supp	5	Zero	5	Zero	4	Zero	
	Two Bedroom	3	456.00	3	Zero	2	Zero	
	Three Bedroom	3	530.00	1	456.00	2	463	
30.95%	Three Bedroom			4	530.00	2	537	
40% County Median Income	One Bedroom	-	533.00	0	533.00	0	541	
	Two Bedroom	2	643.00	2	643.00	1	650	
7.14%	Three Bedroom	1	746.00	2	746.00	3	753	
50% County Median Income	One Bedroom	6	689.00	3	689.00	4	697	
	Two Bedroom	12	795.00	5	795.00	2	795	
52.38%	Three Bedroom	4	922.00	2	875.00	3	875	
60% CMI	One Bedroom	1	782.00					
	Two Bedroom	2	850.00					
9.5%	Three Bedroom	1	975.00					
80% CMI	One Bedroom			4	875.00	8	750	
	Two Bedroom			9	1,000.00	4	850	
0.0%	Three Bedroom	-		6	1,200.00	4	1000	
Gross Rental	Total/Average	42	614.50	48	703.29	42	602.67	

EXPENSES		The Edge	The Edge 2	City Flats
Office/Advertising	340 /unit	14,280.00	14,280.00	14,280
Personnel (Site Manager and Maintenance)	1024 /unit	43,000.00	43,000.00	43,000
Utilities (Sewer/Water, Common Area, Trash)	857 /unit	36,000.00	39,000.00	39,000
Property Taxes (Without PILOT)	1786 /unit	75,000.00	87,438.00	82,251
Property Taxes (With PILOT full participation by County)		22,373.00	41,522.00	23,088
Insurance	349 /unit	14,660.00	14,660.00	14,660
Other: Support Services	486 /unit	17,000.00	20,000.00	16,000
Repairs & Maint.	850 /unit	31,500.00	31,500.00	31,500
Property Mgmt.	7%	20,326.04	26,559.24	19,938
Accounting/Audit	155	6,500.00	5,500.00	5,500
NDHFA Compliance	35 /unit	2,025.00	2,235.00	2,025
Replacement Reserve	400 /unit	16,800.00	19,200.00	16,800
Total Operating Expenses	550 /unit	277,091.04	303,372.24	284,954
Expense Ratio		0.95	0.80	100%
Expense Per Unit	550 PUPM	6,597.41	6,320.25	6,785
NET OPERATING INCOME (before debt service assuming PILOT)		56,190.00	122,163.00	64,320
Cash Flow After Debt Service in Year 15		2,634.00	23,788.00	7,526

Sources of Funds The Edge			The Edge 2	City Flats
Equity		6,548,345.13	6,611,338.82	6,941,305.82
First Mortgage	Affordable Flexpace	853,350.95	2,232,255.16	716,429.53
Other: Housing Trust Fund	SOFT	0		400,000.00
Other: City (TIF)	SOFT	-	-	-
Other: Housing Trust Fund	SOFT- 30 year deferre	0	1,450,000.00	1,250,000.00
Other:				
Total Third Party Sources		8,770,959.08	10,293,593.97	9,307,735.36
Deferred Developer Fee		136,762.25	244,055.48	150,539.59
TOTAL		8,907,721.33	10,537,649.46	9,458,274.94

Use of Funds			
	The Edge	The Edge 2	City Flats
A. Land & Buildings			
Land	511,000.00	592,467.00	592,467.00
House & Lot	-	-	-
Building	-	-	-
Subtotal	511,000.00	592,467.00	592,467.00
B. Site Work			
Demolition	-	-	-
Off-site improvements	50,000.00	50,000.00	50,000.00
Landscaping	100,000.00	100,000.00	100,000.00
Subtotal	150,000.00	150,000.00	150,000.00
C. Rehab & New Construction			
Rehab Construction Costs	-	-	-
New Construction	5,047,547.21	6,336,000.00	5,544,000.00
Contingency	292,697.92	360,663.81	321,141.60
General Requirements	272,158.00	272,158.00	301,782.00
Overhead	102,701.00	102,701.00	113,880.00
Contractor P & L	281,552.20	352,417.10	313,170.00
Subtotal	5,996,656.33	7,423,939.91	6,593,973.60
D. Architectural			
Architect - Design	228,501.00	230,000.00	175,000.00
Architect - Supervision	30,000.00	30,000.00	30,000.00
Legal		12,000.00	12,000.00
Surveying	12,000.00	25,000.00	25,000.00
Engineering	25,000.00	15,000.00	15,000.00
Plan Review	2,500.00	2,500.00	2,500.00
Third Party Fees	-	-	-
Subtotal	298,001.00	314,500.00	259,500.00

	The Edge	The Edge 2	City Flats
E. Interim Costs			
Construction Insurance	24,073.00	24,073.00	24,073.00
Construction Period Interest	430,000.00	270,000.00	225,000.00
Construction Loan Fee	30,000.00	60,000.00	60,000.00
Real Estate Taxes	10,000.00	4,000.00	8,000.00
LOC Fees	-		
Subtotal	494,073.00	358,073.00	317,073.00
F. Financing Fees & Exp.			
Permanent Loan Fee	1,700.00	22,322.55	7,164.30
Construction Inspections	-	10,000.00	10,000.00
Title & Recording	17,000.00	17,000.00	17,000.00
Other: Syndication Fees	35,000.00	25,000.00	25,000.00
Subtotal	53,700.00	74,322.55	59,164.30
G. Soft Costs			
Appraisal	8,000.00	8,000.00	8,000.00
Market Study	6,500.00	6,500.00	6,500.00
Environmental	20,000.00	60,000.00	60,000.00
NDHFA Fees	74,500.00	76,500.00	78,500.00
Rent-up Marketing	50,000.00	50,000.00	50,000.00
Cost Certification	15,000.00	15,000.00	15,000.00
Furniture	50,000.00	50,000.00	30,000.00
Green Communities	23,420.00	23,420.00	23,420.00
Legal	60,000.00	60,000.00	60,000.00
Subtotal	307,420.00	349,420.00	331,420.00
H. Developer's Fee	776,000.00	776,000.00	776,000.00
I. Reserves			
Housing Trust Fund Operating A	168,566.00	202,162.65	200,000.00
Operating Reserve	152,305.00	276,764.35	158,677.05
TOTAL DEVELOPMENT COST	8,907,721.33	10,537,649.46	9,458,274.94