



Economic Development Advisory Committee Meeting
West Fargo City Hall, Riverside Room

Thursday, January 4th, 2023

8:00 – 9:30 am

Voting Members

Eddie Sheeley *Chair*
Banking
Choice Financial
Nicole Steen-Dutton V. *Chair*
Retail
Thunder Coffee
Jaysen Schock
Past Chair
Manufacturing
Cargill
Marshall McCullough
Service
Ohnstad Twichell
Paul Matthys
Utilities
Cass County Electric
Tom McDougall
Technology
High Point Networks
Nick Killoran
Small Business Owner
Great North Insurance
Jeffrey Volk
Const./ Engineering
Moore Engineering
Cairn Reisch
Member at Large
Marvin

Ex-Officio Members

Shannon Full
FMWF Chamber of
Joe Raso
GFMEDC
Levi Bachmeier
WFPS
Robert Wilson
Cass County

City Commissioners

Roben Anderson
Brad Olson

City Staff

Nick Lee
City Assessor
Casey Sanders
Economic Development
Aaron Nelson
Planning Director

The Economic Development Advisory Committee (EDAC) meets regularly on the first Thursday of every month to review incentive applications and other items pertaining to Economic Development within the City of West Fargo. The committee provides recommendations to the City Commission for final review. All Committee meetings are open to the public and any Executive Sessions abide by North Dakota Century Code. The Committee reserves the right to hold special meetings at its discretion to facilitate efficient development within the City of West Fargo.

AGENDA

1. Call to Order
2. Attendance Roll Call
3. Approval of Last Meeting's Minutes
4. Approve Order of Agenda
5. Levity Enterprise Grant (Casey Sanders)
6. Committee Officer rotation and elections
 - Chair -Eddie Sheeley rotates to Past Chair
 - Vice Chair -Nicole Steen-Dutton rotates to Chair
 - Election for Vice Chair – Action Needed
7. Non-Agenda Items
8. Adjournment

Future Meeting Dates (1st Thursdays):

Thursday, February 1, 2024

Thursday, March 7, 2024

Thursday, April 4, 2024

CITY OF WEST FARGO ECONOMIC DEVELOPMENT

STAFF REPORT

LEVITY

Current Location: Startup Business to locate in the Firm 344 Sheyenne St

Parcel: 02-0581-00020-030

Applicant: Linzey Erickson

Staff Contact: Economic Development
Casey Sanders

Economic Development Advisory Committee:

January 4, 2023

West Fargo Public School District:

N/A

Cass County Board of Commissioners:

N/A

Public Hearing:

N/A

City Commission:

Next Commission Meeting January 22, 2024

PURPOSE:

LEVITY is the culmination of years of thought and informal research into unmet needs of families in the West Fargo area and ways to meet those needs in a financially viable business model. LEVITY's mission is to provide a space for safe fun, play, and exercise for children of all ages and a bit of reprieve for those children's parents. Its hope is to do so while also avoiding significant cost or waiting lists or lines.

LEVITY is comprised of three pieces: an arcade, a pizza and ice cream parlor, and a tumble gym. The arcade and pizza and ice cream parlor are designed to serve children ages 3 and over and their parents who are looking for an hour or two of games, prizes, and food. The tumble gym is designed for children ages 8 and under and targets families who prefer a smaller, less expensive tumbling option than the competitive gymnastics gyms in the area and families looking to avoid the toddler tumbling wait lists at other gyms. In all, the LEVITY business design allows parents with children of varying ages to engage in active play and amusement in one place.

PROJECT ELIGIBILITY FOR DEVELOPMENT:

The project is located on the west side of Sheyenne just north of the POW MIA Plaza. The business would locate in The Firm in the Downtown Mixed-Use zone and meets several of the enterprise grant goals:

- Diversification of business types
- Creating unique and distinct places
- Continued revitalization efforts
- Commentary service and enhancing commercial growth

STAFF REPORT

DISCUSSION AND OBSERVATIONS:

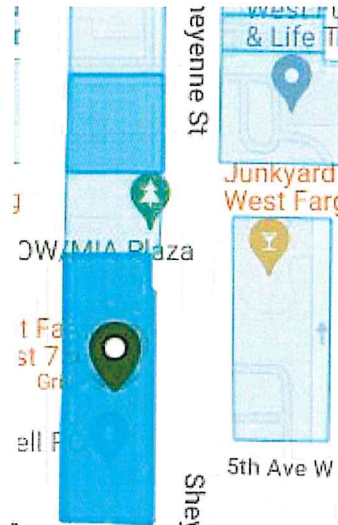
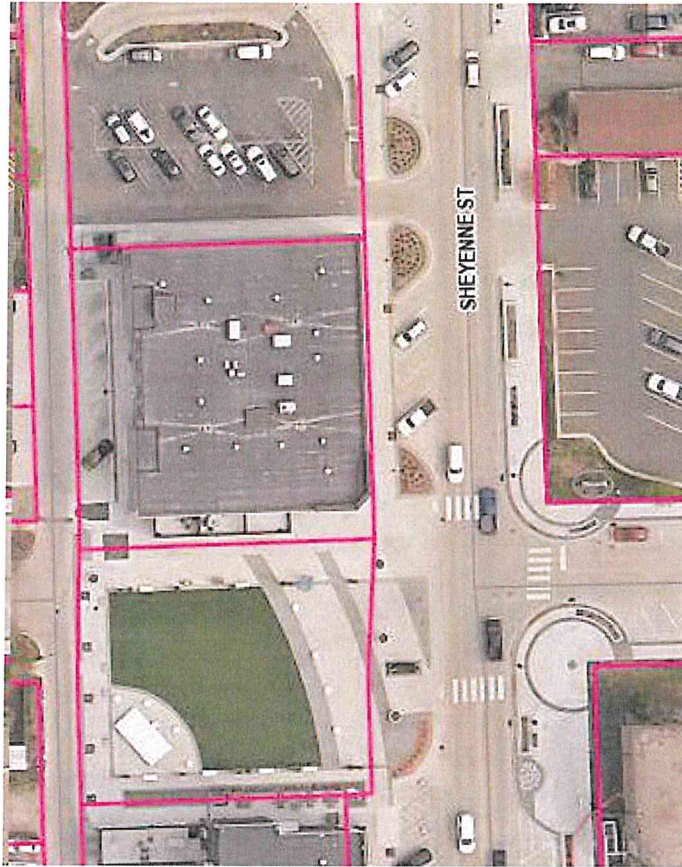
- Being part of downtown is enticing as the area is already attracting the demographic that would be complimented through an entertainment and activity focused space for families to find community.
- This is a service-oriented business that aims to attract families with younger children. This is a place of entertainment and fun. With an arcade and tumble gym for younger children, LEVITY strives to be a place that families can return for repeatable experiences.
- The overall fit up is estimated to be \$350,000 - \$410,000. These estimates are generated from ranges provided by the construction management company, which based its estimates on per square foot pricing.
- Business plan including marketing, pricing, advertising and promotion plan, and one-year proforma was provided. The appendix with is included as attached supporting documents.
- Hours of Operations are planned and displayed in the table below. Based on the additional public parking planned to come online in spring 2024 as well as the offset of the other existing businesses based on their open hours (Pioneer Ctr), the parking needs at this location should balance. Moreover, Levity owners have requested a single drop off/pick up space in front of the building to accommodate child drop off and allow for parking in a broader radius in the downtown area.

Hours of Operation

Arcade Pizza & Ice Cream Parlor Hours							
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Summer	10:00 am – 10:00 pm	10:00 am – 10:00 pm	10:00 am – 10:00 pm	10:00 am – 10:00 pm	10:00 am – 10:00 pm	10:00 am – 10:00 pm	10:00 am – 8:00 pm
Winter	10:30 am – 1:00 pm	10:30 am – 1:00 pm	10:30 am – 1:00 pm	10:30 am – 1:00 pm	10:30 am – 1:00 pm	10:00 am – 9:00 pm	10:00 am – 6:00 pm
	3:00 pm – 9:00 pm	3:00 pm – 9:00 pm	3:00 pm – 9:00 pm	3:00 pm – 9:00 pm	3:00 pm – 9:00 pm		

Tumble Gym Hours							
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Year Round	9:00 am – 11:00 pm	5:00 pm – 8:00 pm	9:00 am – 11:00 pm	5:00 pm – 8:00 pm	9:00 am – 12:00 pm	9:00 am – 12:00 pm	Party Availability Upon Request
	5:00 pm – 8:00 pm		5:00 pm – 8:00 pm		Party Availability Upon Request	Party Availability Upon Request	

STAFF REPORT

**PUBLIC PARTICIPATION:**

Public assistance for this project would be funded through Economic Development Sales Tax. The fit-up cost for this space is estimated to be \$350,000 - \$410,000 in which the business has applied for \$75,000 enterprise grant (the maximum grantable total when the cost is \$150,000 or greater.)

LAND USE, ZONING, STREET PLANS, DISPLACEMENT OF RESIDENCE OR BUSINESSES:

This location is located in the heart of our downtown and located in the DMU. It is located just north of the POW MIA Plaza. There would be no displacement of residences or businesses.

RECOMMENDATIONS:

The proposed development plan is located in the Firm in the downtown mixed-use zone and brings a family friendly entertainment component to an area that aims to grow while enhancing their targeted demographic audience as families.

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE RECOMMENDATION:

Economic Development Advisory Committee is reviewing this project on January 4th, 2024.

Appendix

Construction & Opening Expenses

Budget Detail					
Construction/Buildout	\$	440,000	Soft Costs	\$	36,000
			Sales/Marketing/Pre-Openin	\$	25,000
Buildout	\$	350,000	Design/Buildout Fee	\$	36,000
Arcade Games	\$	60,000			
Tumble Gym Equip	\$	10,000			
Restaurant Equip	\$	10,000			
Operating Supplies	\$	10,000			
			Hiring	\$	5,000
			General Marketing	\$	20,000

Budget Summary		
Construction/Buildout Costs	\$	440,000
Soft Costs	\$	36,000
Sales/Marketing/Pre-Opening	\$	25,000
Total	\$	501,000

Operating Assumptions

Arcade and Tumble Gym Revenue Assumptions	
Arcade	
Unlimited Play Fee/Hour	\$ 20
Unlimited Play Passes/Month	550
Unlimited Play Revenue/Month	\$ 11,000
Per Game Play/Game Fee	\$ 1.50
Per Game Play Purchases/Month	15000
Per Game Play Revenue/Month	\$ 22,500
Birthday Party Fee	\$ 100
Birthday Parties/Month	10
Birthday Party Revenue/Month	\$ 1,000
Tumble Gym	
Tumbling Class Fee	\$ 14
Students/Tumbling Class	5
Tumbling Classes/Month	70
Tumbling Class Revenue/Month	\$ 4,900
Open Gym Fee	\$ 6
Students/Open Gym	8
Open Gym/Month	20
Open Gym Revenue/Month	\$ 960
Parents' Night Out Fee	\$ 20
PNO Passes/Month	15
PNO Revenue/Month	\$ 300
Birthday Party Fee	\$ 100
Birthday Parties/Month	10
Birthday Party Revenue/Month	\$ 1,000

Pizza & Ice Cream Parlor Revenue Assumptions	
Whole Pizza Average Price	\$ 20
Whole Pizza Sold/Month	600
Whole Pizza Revenue/Month	\$ 12,000
Pizza by the Slice Average Price	\$ 5
Pizza by the Slice Sold/Month	800
Pizza by the Slice Revenue/Month	\$ 4,000
Cheese Bread Average Price	\$ 10
Cheese Bread Sold/Month	150
Cheese Bread Revenue/Month	\$ 1,500
Single Scoop Ice Cream Average Price	\$ 3.50
Single Scoop Ice Cream Sold/Month	100
Single Scoop Ice Cream Revenue/Month	\$ 350
Double Scoop Ice Cream Average Price	\$ 4.50
Double Scoop Ice Cream Sold/Month	100
Double Scoop Ice Cream Revenue/Month	\$ 450
Kids Drinks & Misc Bottled Beverages Revenue/Month	\$ 500

Staffing							
Position	#	Salary	Hourly Rate	Number of Hours Monthly	Benefits	Net	
General Manager	1	\$ 65,000	-		25%	\$	81,250
Tumbling Supervisor	1	\$ -	\$ 30.00	60	0%	\$	21,600
Tumbling Teacher	1	\$ -	\$ 18.00	40	0%	\$	8,640
Arcade Ops	8	\$ -	\$ 15.00	250	0%	\$	45,000
Pizza Ops	10	\$ -	\$ 15.00	340	0%	\$	61,200
Total Staffing Cost	21					\$	217,690

Expense Margins	
COGS	18.00%
Admin/Software/IT	4.00%
Marketing	2.00%
Utilities	3.00%
Rent	90,000
CAM	28,000
Insurance	25,000
Reserves	3.00%
Loan Interest Rate	8.00%
Inflation	4.00%

Year One Proforma

	Year 1	
	\$	%
<u>Revenues</u>		
Arcade	414,000	57.06%
Unlimited Play	132,000	31.88%
Per Game Play	270,000	65.22%
Parties	12,000	2.90%
Tumble Gym	85,920	11.84%
Classes	58,800	68.44%
Open Gym	11,520	13.41%
Parents Night Out	3,600	4.19%
Parties	12,000	13.97%
Pizza	210,000	28.94%
Whole Pizzas	144,000	68.57%
By the Slice	48,000	22.86%
Cheese Bread	18,000	8.57%
Ice Cream	9,600	1.32%
Single Scoop	4,200	43.75%
Double Scoop	5,400	56.25%
Misc Food/Drink	6,000	0.83%
<u>Total Revenues</u>	725,520	100.00%
<u>Expenses</u>		
Staffing	217,690	30.00%
COGS	130,594	18.00%
Administrative/Software/IT	29,021	4.00%
Marketing	14,510	2.00%
Rent/CAM	92,700	12.78%
Utilities	21,766	3.00%
Insurance	25,000	3.45%
<u>Total Expenses</u>	531,280	73.23%
Reserve for Replacement	21,766	3.00%
<u>NOI</u>	172,474	23.77%



Enterprise Grant Application

PRIMARY CONTACT INFORMATION FOR THIS APPLICATION

Name: Linzey Erickson

Address: 273 34th Ave E., West Fargo, ND 58078

Phone: 612-802-0052 Fax: _____

E-Mail: lerickson@accomplishcollective.com

Applicant Name: Levity Entertainment, LLC

Property Owner: SAD Downtown, LLC
(Name of person/entity to RECEIVE grant)

Property Address: 344 Sheyenne Street, West Fargo, ND 58078

Architect/Firm: _____
(If applicable)

DESCRIPTION OF PROPERTY

Current tenant(s): ☒ Commercial _____

Building History (If available): New, unfinished space being completed and built out

Total Qualifying Expenses \$300,000 Total Loan from City \$75,000

Potential Grant Portion of Loan \$75,000

Is the renovation part of a larger project? ☐ Yes ☒ No, the renovation is the only work I am doing.

If yes, please describe comprehensive Project: _____

EDAC Members		Company	Industry Representation	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Attended
Jaysen Schock		Cargill	Manufacturing	1	1		1	1		1	1	1	1	1		100%
Ed Sheeley		Choice Financial	Banking	1	1		1			1	1			1		67%
Marshall McCullough		Ohnstad Twitchell	Services	1	1			1		1	1		1	1		89%
Paul Matthys		Cass County Electric	Utilities		1		1				1	1	1	1		67%
Nicole Steen-Dutton		Thunder Coffee	Retail	1	1		1	1		1	1	1	1	1		78%
Tom McDougall		High Point Networks	Technology	1	1		1	1		1	1	1	1	1		100%
Nicholas Kiloran		Great North Insurance	Small Business Owner				1	1		1	1		1	1		57%
Jeff Volk		Moore Eng	Construction/ Eng.				1	1		1	1	1	1			71%
Carin Reich		Marvin	Member At Large							1	1	1	1	1		100%
Ex-Officio Members		Company														
Shannon Full		FMWF Chamber														0
Levi Bachmeier		WF Public Schools		1	1					1						3
Joe Raso		GMFEDC			1		1				1					2
Ryan Aasheim		GMFEDC		1							1			1		3
Robert Wilson		Cass County								1	1			1		2
John/ Joey EDC					1						1	1	1			4
City Staff		Department														
Casey Sanders		Economic Development		1	1		1	1		1	1	1		1		9
Aaron Nelson		Planning & Zoning		1	1		1	1		1	1		1			7
Nick Lee		Assessor		1			1						1			3
Commissioners		Company		Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Attended
Roben Anderson		Commissioner		1	1		1	1		1	1	1		1		8
Brad Olson		Commissioner		1	1		1	1		1	1	1	1	1		9