



DÂRT

**Downtown Aberdeen Revitalization Team
BID District | Aberdeen, South Dakota**

2016 - 2022

DART was a small group of community-minded folks founded a few years back with the help of an architect, attorney, and banker. The team pooled resources and tried to polish up some downtown buildings for the good of the city. DART also sought out owners and businesses that would help drive activity, retail sales, property values, tourism, and housing in the Downtown Aberdeen Building Improvement District. This book documents that process and outlines the steps taken to make it happen.

Leadership Team

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Downtowns are the heart and soul of any community. They serve as the hub for commerce, culture, and community engagement. Over the years, many downtowns have fallen into disrepair and disuse, leaving them as shadows of their former selves. The Downtown Aberdeen Revitalization Team (DART) has taken on the task of revitalizing the historic downtown of Aberdeen, South Dakota. This book details our efforts, including the challenges faced and the successes achieved.

DART is not the sole factor in the current momentum seen downtown. However, the group played an important role in creating the environment necessary for private development to thrive. The team encouraged and facilitated the growth of local businesses, cultural reinforcement, and community engagement. DART's efforts have helped push Aberdeen toward a more vibrant, active, and welcoming downtown that is a source of pride for the entire community.

The DART team hopes to be an example for other communities. Through collaboration between the public and private sectors, we believe that similar revitalization programs can be created in other towns and cities. DART's work serves as a case study of how a dedicated group of individuals can make a real difference in their community.

Special thanks must be given to Rod Fouberg. Without him, none of this would be possible. As a banker and 50-year pillar of the Aberdeen community, Rod provided the financial guidance and long-term vision that allowed DART to succeed. He has never been motivated by public recognition, but by the personal satisfaction of doing something to better his community. We would also like to thank fellow DART board member Rod Tobin for his crucial participation and legal guidance, as well as the many investors who believed in DART's vision and provided the necessary resources to make it a reality. Also special thanks to Heath Johnson and Spencer Sommers. Together, we hope DART has improved the appearance of downtown Aberdeen and helped advance a bright future for the community.

Tom Hurlbert
AIA, LEED AP, NCARB

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One day I was lamenting on the sad state of my Main Street with the wrong guy. It's probably a Main Street not that different from yours. Sure there were a few rock-solid businesses that were keeping Main Street from total collapse, but we had too many empty upper floors, too many vacant storefronts, and too many absentee building owners who didn't care.

How could we fix this problem that was creating a vicious cycle in slow motion? Property values were low, creating no incentive to fix up buildings. And now some of those buildings were being torn down, with others soon to follow. Nobody was investing, and worse yet, nobody was selling the empty buildings they did own. Main Street was slowly melting away, and the long-term effects were going to be catastrophic for the Hub City. We were stuck.

But on this particular day, I complained to the wrong guy. He said, "Well, why don't we fix it?" And so DART was born.

A Brief History of Downtown Aberdeen

Aberdeen is located in the northeastern part of South Dakota. It was founded in 1881 and named after the Scottish city by Alexander Mitchell, a then railroad magnate. In the late 19th and early 20th centuries, Aberdeen experienced rapid growth as a result of the arrival of the railroad and the subsequent expansion of the lumber and agricultural industries.

The downtown area of Aberdeen was the city's main commercial and cultural hub, with a variety of shops, hotels, and theaters. Many of the buildings in the downtown area were built during this time period, many of them featuring Victorian architecture, and many still remain.

During the early 20th century, the city's economy shifted from agriculture to manufacturing, with several factories opening in the area. In the post-World War II period, suburbanization led to a decline in population and business in the downtown area. Many of the historic buildings fell into disrepair, and a number were demolished. As a result, the city still deals with the legacy of urban decay.

Efforts have been made to revitalize downtown Aberdeen. This includes private historic preservation projects, the creation of a downtown improvement district, and the development of a downtown master plan. Many of the historic buildings have been maintained and new businesses and residential spaces have begun to open up. This process is ongoing, and some buildings still need restoration, but DART's efforts since 2016 have made a noticeable dent in the number of blighted buildings downtown.

Downtown Aberdeen Revitalization Team

DART, or the Downtown Aberdeen Revitalization Team, is a community-based organization that worked to revitalize the downtown area of Aberdeen, South Dakota. The group was founded by an architect, banker, and attorney and was supported by nineteen community-minded investors. The organization has positively impacted the downtown area through its efforts to purchase, restore, and sell historic properties.

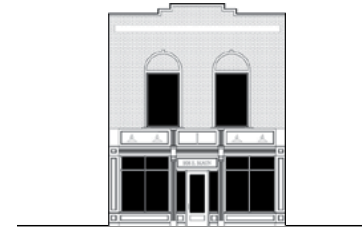
One of the key ways DART has increased the momentum of downtown revitalization is through the purchase and restoration of several properties. By purchasing these properties, DART has been able to prevent them from falling into further disrepair and preserve them for future use. The restoration of these properties has also helped to improve the appearance of the downtown area and attract new businesses and residents.

Specifically, DART has purchased four properties directly on Main Street, renovated them to their historical charm, and sold them to local businesses and entrepreneurs. This has led to increased foot traffic and vitality in the downtown area, as these properties now house offices, a local art studio, retail businesses, a jiu-jitsu academy, and two apartment units. This brought new jobs, increased revenue, and more visitors to the downtown area, thus creating positive momentum for the overall economy of the area.

The preservation and revitalization of these historic properties also serves as a symbol of the community's commitment to preserving its past and ensuring a vibrant future. It is an opportunity to showcase the city's architectural heritage, and to ensure that it remains an important part of the community for future generations.

2017 Curtis & Beman Building | 208 S Main St

Building Purchase Date: 2016
Building Sell Date: 2017
Building Occupant: Office Incubator



2018 Olander Building | 207 S Main St

Building Purchase Date: 2017
Building Sell Date: 2018
Building Occupant (1st): Art Studio
Building Occupant (2nd): Residential Rental (x2)



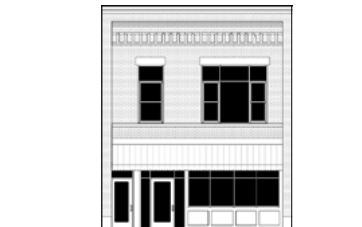
2019 Artz's Building | 416 S Main St

Building Purchase Date: 2017
Building Sell Date: 2019
Building Occupant: Law Office / Retail



2022 Griffis Building | 313 S Main St

Building Purchase Date: 2020
Building Sell Date: 2022
Building Occupant (1st): Jiu-Jitsu Studio
Building Occupant (2nd): Residential Unit (x2)



DART was founded as a small limited liability company (LLC) in 2016, funded and operated by civic-minded community leaders. DART has since grown into a successful and replicable business model that is not only profitable, but also acts as a pivotal tool in the revitalization of historic downtown Aberdeen. The team would like to share their experiences with the hope that other communities may consider similar ideas.

Leadership Team

Finding the right people to lead a team is crucial to the success of any community project. It is important to seek out individuals who not only have the necessary skills and knowledge, but also a genuine passion for the community and a desire to make a positive impact. These individuals will bring a sense of dedication and commitment to the project and will be more likely to go above and beyond to ensure its success. It is also important to consider diversity in terms of backgrounds, perspectives, and experiences when building a team, as this can lead to more innovative and effective solutions. In DART's case, it was a banker, attorney, and architect - a combination that checked all the boxes.

Mission

The goal throughout the process should be to encourage private investment in blighted areas and help revitalize the community. By purchasing and renovating small, manageable properties, the group is not only improving the appearance of downtown, but also providing space for new or expanding local businesses to thrive. This not only helps the local economy, but also offers a small return on investment to the shareholders.

Expectations

The managing members of the organization should handle all purchase, renovation and sale decisions, with the initial investment coming from a separate group of community-minded individuals. DART made clear to any potential investors that their involvement in the group may not yield returns and could even result in a loss of the initial investment. In fact, the only compensation promised was the revitalization of downtown buildings and facades. Despite this, DART has been successful and has remained profitable — a win for the community and investors alike.

It is important to note that if the team does plan on assembling a group of investors, they must comply with state and federal securities laws. These regulations protect investors by requiring companies to disclose certain information about their operations, financial condition, and investment risks. The team should consult with an attorney with knowledge and experience in securities law to ensure they comply.

Legal Organization

As mentioned, DART chose to operate under the umbrella of a limited liability company, or LLC. LLCs are a type of business structure that provides personal liability protection for the owners, known as members. This means that members are generally not personally responsible for the company's debts or liabilities. Additionally, LLCs offer pass-through taxation, where the company's income is taxed at the individual member level rather than at the corporate level.

Creating a limited liability company is a relatively simple process, although it can vary by state. The first step is to choose a name for the LLC and make sure it is available in your state by conducting a name search. Next, the team will need to file articles of organization, which are typically available on the website of the state's business registration agency. Additionally, the team will be required to submit an LLC operating agreement, which outlines the ownership structure of the LLC and how the business will be run. Finally, the team will need to register for any state taxes and obtain any necessary licenses and permits. In DART's experience, it is best to utilize an attorney for the Articles of Organization and the Operating Agreement. Coordinated drafting of both documents will benefit any future efforts.

Financial Investment

Once organized, the team may consider collecting shares (in DART's case, \$10,000 each) from investors in order to purchase the first property in need of repair. The property is documented, designed, and then renovated, with a focus on the Main-Street-facing facade and any other obvious exterior or structural issues. Once the building is renovated, it can be sold, with any profits going toward the purchase of the next property in need of attention.

Dissolvement

Should the group formally decide that they have completed their mission or just no longer wish to continue, the LLC (if chosen) can be dissolved. An LLC must typically file articles of dissolution with the state government and notify any creditors of the dissolution. Following that, LLCs must also settle any outstanding debts and distribute any remaining assets to the members before officially dissolving the company.

Incentives

In order to finance many historic projects, it is important to explore and combine various financial incentives, and ensure the proper people are in place to execute necessary tasks at a cost-effective level.

One such incentive is Tax Increment Financing (TIF), which is a financing method that allows municipalities to use the future tax revenues generated by a development project to pay for the costs of that project. TIF can be used to fund infrastructure improvements, site preparation, and other expenses associated with a historic preservation project.

Another important financial incentive for historic projects is the use of Historic Tax Credits (HTCs). HTCs provide a dollar-for-dollar reduction in federal income taxes for the rehabilitation of historic properties that are approved by the National Park Service. These credits can be used to offset the costs of restoring and preserving historic buildings and sites.

Grants, revolving loan funds, CDFI's, low-interest loans, and tax moratoriums are other financial incentives that can be used to finance historic projects. Grants are available for specific projects, while revolving loan funds, CDFI's, and low-interest loans provide affordable funding solutions for a variety of expenses, such as site preparation, construction, and ongoing maintenance. Tax moratoriums can also provide significant savings, as they temporarily suspend property tax payments for a certain period of time.

On top of traditional bank loans, any combination of the incentives outlined above can provide significant financial support for the preservation and restoration of historic properties.

Fees & Services

Reduced-fee or pro-bono services from knowledgeable experts can greatly assist in making historic restoration projects more feasible. For example, an attorney can provide vital assistance with paperwork, such as the creation of a limited liability company or other legal entity to manage the project. This can help ensure that all legal requirements are met and that the project is structured in a way that is financially beneficial to all parties.

A banker can also play an important role in making historic restoration projects more feasible. A banker can examine the finances of the project and implement various financial incentives, such as low-interest loans or tax credits. They can also help identify potential sources of funding, such as grants or private investment.

An architect is essential in making historic restoration projects happen. These professionals can design the restoration project, ensuring that it meets all historical preservation guidelines while being functional and cost-effective. The architect can also manage the project, overseeing the construction process and ensuring proper restoration. If no local architect is available, a qualified contractor who understands the importance of the mission may also be an acceptable solution.

Attorneys, bankers, architects, and contractors are just some of the people who can provide the team with vital services that ensure that the project is completed on time, within budget, and to the highest standards of quality.

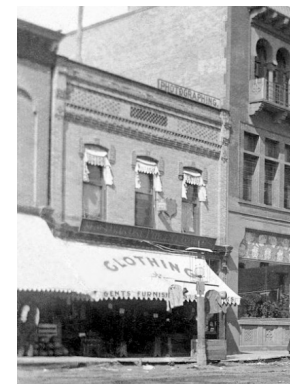
Curtis & Beeman Building | 2017

History

According to county assessor records, the Curtis & Beeman Building is believed to be one of the oldest properties located on Main Street, with an estimated construction date of 1884. The original historic district survey lists the year as “circa 1884.” The building has served various purposes throughout its history, including housing hardware, photography, and tailor shops in its early years. Charles Sauer’s Jewelry store operated in the space from 1928 to 1957, followed by Mister’s Mens Wear from 1958 to 1964. In the late 1980s, it served as the location for the Wagon Wheel Tavern. The building boasts a two-story brown brick construction, resting on a stone foundation and featuring a stepped parapet and intricate brick patterns across the top. While partially obscured in the photograph to the left, this stepped parapet can be seen behind the “BLACKHAWK DINE & DANCE” blade sign, suggesting the original facade was removed and reconstructed sometime prior to 1936.

Condition Before/After Renovation

The historic two-story building, had fallen into a state of disrepair and was in danger of demolition before being purchased and revitalized by DART. This building was the organization’s first renovation project. The building was designed and sold as a business incubator to provide workspace for entrepreneurs. The renovation included a new façade, replacement of all windows, a new roof, and a complete renovation of the interior. The building now serves as a functional and sustainable space for small businesses and business-people to thrive.

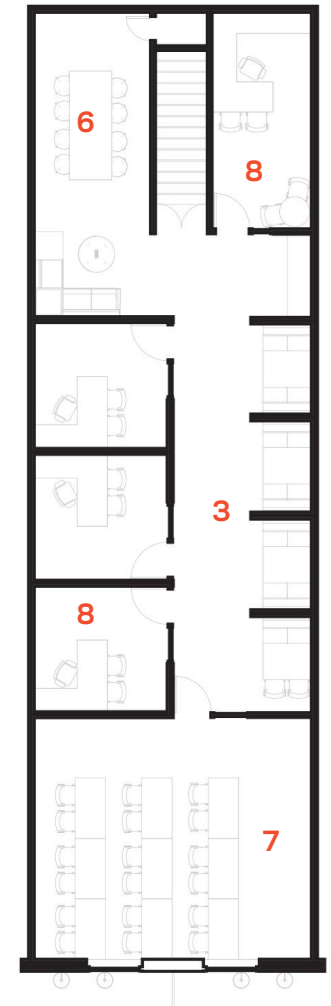




East Elevation



- 1. Small Meeting
- 2. Reception
- 3. Work Coves
- 4. Break Room
- 5. Work Room
- 6. Think Tank
- 7. Classroom
- 8. Office



First Floor Plan, Second Floor Plan

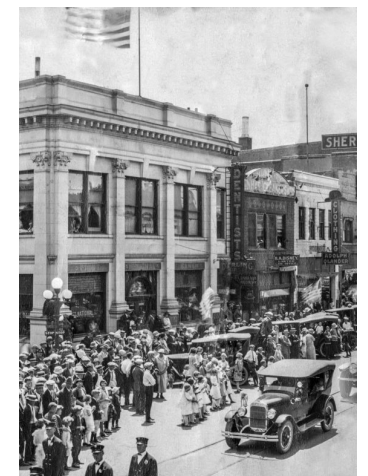


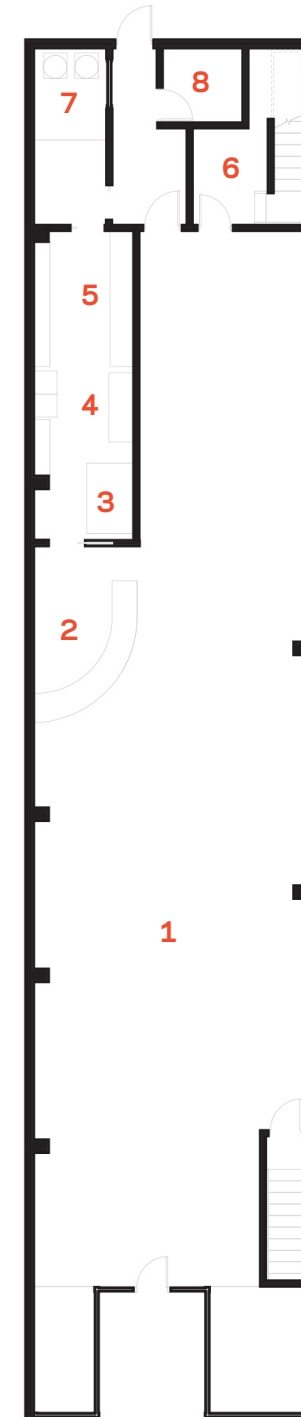
History

The Olander Building, constructed in 1912, at 207 South Main Street, has served a variety of commercial purposes throughout its history. The two-story structure was initially occupied by Jan's Ceramic and Dolls shop, followed by Olander's Clothing Shop, which operated at the location until 1958. Subsequently, it was occupied by Black's Shoe Store and Stevenson's Women's Clothing during the 1970s. The second floor of the building has been both residential and office space. This building stands out among others in the area due to its unique glazed terra cotta brick façade, which features green diamond-shaped tile insets and provides a striking contrast to the darker brick structures on the 200 block.

Condition Before/After Renovation

The scope of DART's second project included the restoration of the ceramic brick exterior, the replacement of windows and storefronts, and repairs to the roof. During the period of ownership, DART was able to generate income from rents that exceeded the operating expenses. The building is currently owned by an individual who operates a business on the street level and runs two high-end vacation rentals on the second floor.





- The Olander Building
1. Colorful Creations
 2. POS Counter
 3. Cutting Index Table
 4. Vinyl Printer
 5. Work Table
 6. Kids Corner
 7. Kilns
 8. Restroom







History

The one-story building located at 416 S Main Street was previously occupied by a financial office and is situated between two-story structures, which highlights the irregularity of its roof-line. According to county assessor records, the building was constructed in 1915 and has been used for a variety of programming, including retail stores, cafes, and offices.

Condition Before/After Renovation

The property was acquired in the fall of 2017 with the goal of stabilizing and enhancing the common facade, then selling the buildings. Historically, the property had been occupied by two businesses operating behind a single façade with two entrances.

Work on the property began in the spring of 2018 and was more extensive than anticipated. During the demolition phase, severe structural issues were uncovered. Based on the recommendations of a structural engineer, the decision was made to remove the entire facade and reconstruct the front of the building while preserving the historic character of the downtown area and the original building.

In the spring of 2018, the new facade was installed and the two entrances were maintained for flexibility of use. The facade improvements were completed in the fall of 2018, resulting in a significant improvement in the appearance and stability of the building. Despite incurring significant costs to make the building safe and useful for future downtown success, the building was sold in 2019 and is now owned and operated as a retail store and an attorney's office.



East Elevation



- 1. Reception
- 2. Attorney's Office
- 3. Retail
- 4. Restroom



First Floor Plan









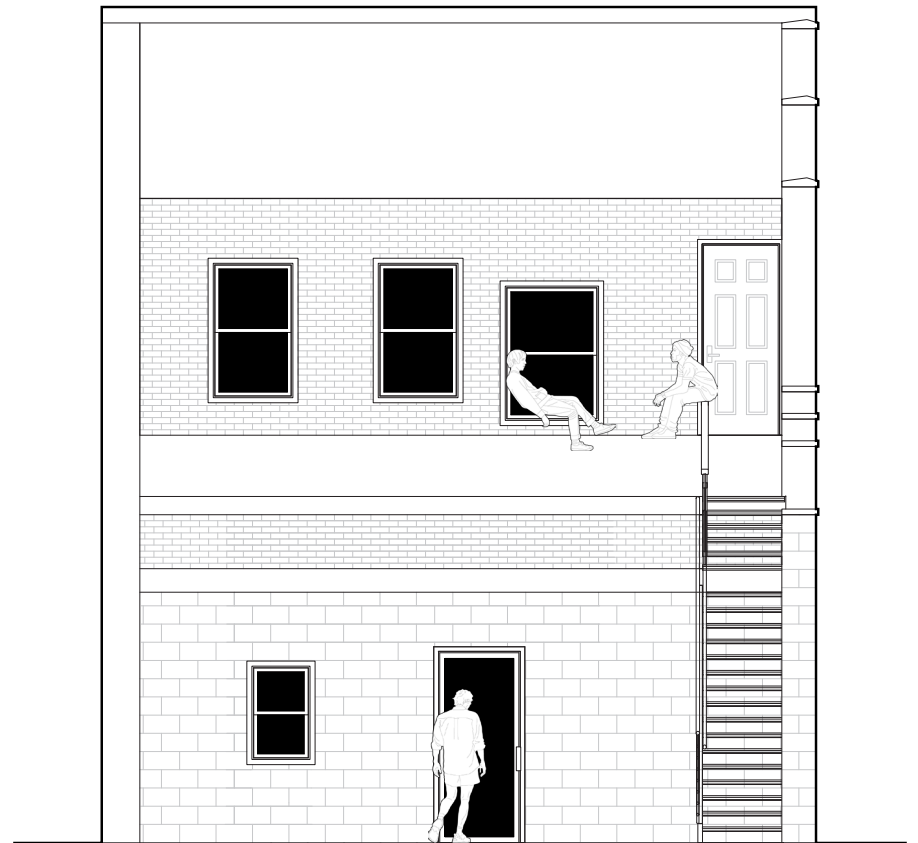


History

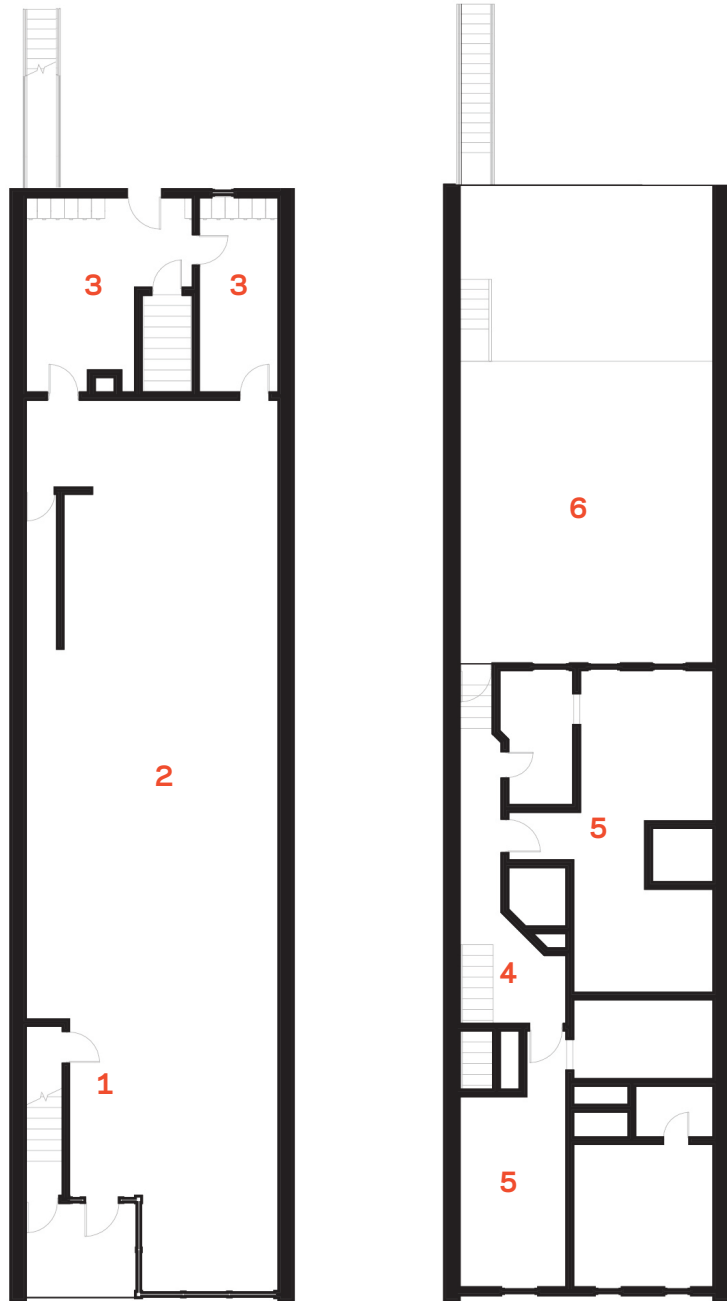
The Griffis building was originally constructed in 1909 and served as the location for two pharmaceutical establishments: Griffis Drug Company and Goodale's Pharmacy. Subsequently, it was occupied by the Marie O. Simmons shop from 1936 until 2000. In the years since, the building has been occupied by various businesses, most notably consignment stores, but had recently sat vacant.

Condition Before/After Renovation

Over time, the historic building fell into a state of disrepair due to major moisture infiltration issues. The poor condition of the windows and roof led to water damage to the ceilings, walls, and masonry. To address these issues, a comprehensive renovation was undertaken. The masonry was repaired through tuck-pointing, a new roof was installed, and all windows were replaced. The storefront was also replaced, and the walkway leading from the alley to the rear residential units was rebuilt. Additionally, the rear parking lot was graded for improved drainage, and vegetation was removed to prevent further foundational issues. Insulation was also added to the east wall, and the terrazzo vestibule flooring was restored. Finally, the leaded glass inserts above the upstairs windows were repaired and replaced. These renovations helped to restore the building to its original condition, preserving the historical integrity of a previously blighted building.



1. Commercial Entrance
2. Flexible Space
3. Back Store Room
4. Shared Unit Entrance
5. Apartment Unit
6. Roof Deck



Before



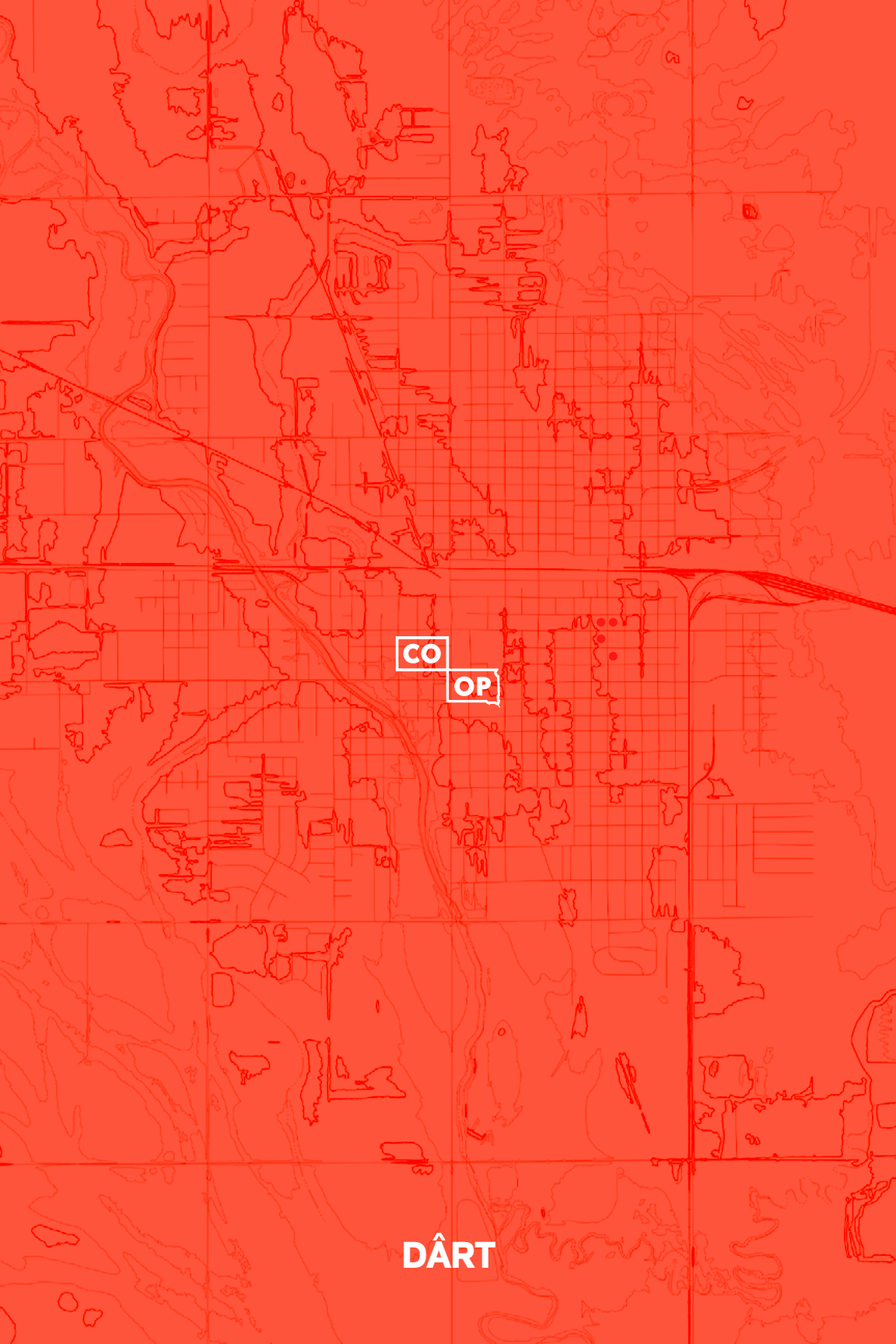
After



The efforts of the Downtown Aberdeen Revitalization Team (DART) have played a significant role in the recent momentum apparent in downtown Aberdeen. DART's program of purchasing, restoring, and selling historic properties has helped to increase the momentum of downtown revitalization and improve the appearance of the downtown area. The renovation of these properties has brought new jobs, increased revenue, and has attracted more visitors and residents to the area. It has also helped preserve the city's architectural heritage for future generations.

The success of DART serves as an example of how community-based organizations can work to revitalize their downtown areas. This program can be a model for other communities looking to revitalize their downtowns. With the right leadership and community support, similar programs can be created and implemented in other towns and cities across the country.

DART's vision was to focus on small, blighted buildings, but now, the group has run out of viable properties to rehabilitate — a good problem to have. This is a testament to the success of the group's mission and the impact it has made on downtown Aberdeen. DART has accomplished what it set out to do: to breathe new life into downtown Aberdeen through private investment.



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