



FARGO GROWTH PLAN 2024

Preferred Growth Scenario

DECEMBER 2023



Overview



As the City of Fargo's first growth plan update since 2007, the Fargo Growth Plan 2024 will provide the City with fresh direction on where and how to grow in the coming decades.

It will offer long-range guidance on land use and land development to the City, its partner agencies, and the private sector. As with Fargo's previous growth plans, it will be used to inform updates to the Land Development Code (LDC), aid the drafting of capital investment plans for services and utilities, shape future transportation plans, and guide the creation of new programs and policies related to development and redevelopment.

The Preferred Growth Scenario is a key part of the process of developing the new growth plan. It will be a representation of how the Fargo community would prefer to grow—is willing to grow—over the coming two decades based on input from the project's committees, the public, and elected and appointed officials. It will also reflect what is known about prevailing growth patterns and the potential for land and infrastructure to accommodate growth.

When finalized, it will serve as the basis for developing the growth plan's recommendations and tools that will help steer the community in the direction of the Preferred Growth Scenario.

This briefing document describes a draft Preferred Growth Scenario and its components for review and vetting by project committees so that the scenario can be refined and confirmed by the conclusion of 2023.

Arriving at a Preferred Growth Scenario

Development of a draft Preferred Growth Scenario has been underway since the start of the growth planning process in early 2023. Analysis of recent development patterns, demographic and economic trends, the City's financial outlook, and infrastructure capacity have all influenced this work, as have indications from Fargoans about what they think about recent growth and how they would prefer to see the city grow in the future.

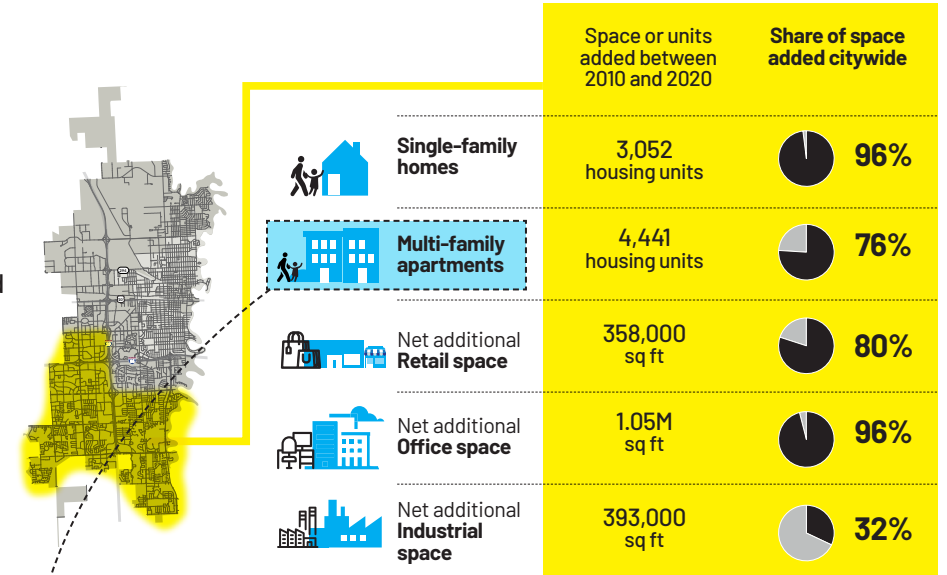
The following are key takeaways from analysis and public engagement in 2023 that have shaped the draft Preferred Growth Scenario.

Fargo's rapid growth in recent decades has mostly occurred at the city's southern and southwestern edges, although recent changes to that pattern are noticeable

Fargo's population has grown by nearly 40% since 2000 and the number of jobs in the city has grown by almost 50%. Throughout its history, Fargo has usually accommodated growth by spreading outward, and this has continued to be the case during this recent period of rapid growth.

Between 2010 and 2020, for example, the vast majority of retail, office, and residential development occurred on previously undeveloped land near the city's southern and southwestern edges—areas that received an estimated 90% or more of Fargo's net population growth.

However, significant multi-family housing production during this period, 24% of which occurred in older parts of Fargo, has been part of an emerging pivot towards higher-density and more inward-focused growth patterns.



Source: Analysis of net real estate production for multi-family, retail, office, and industrial space by Strategic Economics using data from Costar; analysis of permitted single-family production by czb using City of Fargo permit database

Fargo's recent growth has largely paid for itself and put the City in a position of fiscal strength

New greenfield growth has a reputation for being unsustainable on several fronts—environmental, social, and fiscal among them. Fiscal unsustainability is usually the result of sprawling, low-density development exacting more in long-term costs to a city (for infrastructure and service delivery) than it contributes in revenue.

This has not been the case in Fargo, however. The City's system of special assessments ensures that new infrastructure is ultimately paid for by the neighborhoods and business districts that directly benefit—areas that have recently been developed in an orderly manner (limited "leapfrogging") at densities that exceed typical suburban densities. Along with an uptick in the redevelopment and infilling of established areas since 2010 (especially downtown) and a **near-doubling of the City's full market value** between 2012 and 2022, Fargo's fiscal outlook and autonomy have improved in tandem with its economic and population growth.

	Full Market Value	Mill Rate	Property Tax Collections
2012	\$7.6 billion	58.25	\$23.4 million
2015	\$9.2 billion	55	\$28.0 million
2018	\$11.7 billion	51	\$33.4 million
2022	\$14.9 billion	55	\$40.7 million

The full market value of real estate in Fargo between 2012 and 2022 doubled, and it even outpaced inflation by over \$5 billion

Downtown's value grew even faster than the city as a whole due to redevelopment and infill; it now accounts for 1% of the city's territory but 6.6% of its full market value

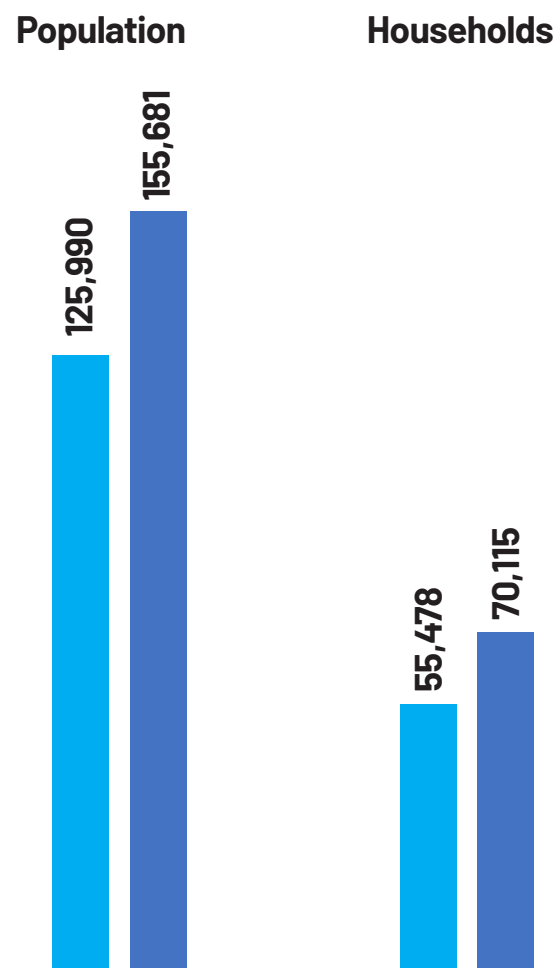
Source: Assessment of Current Fiscal Conditions by Strategic Economics



Substantial additional growth is anticipated, though caution is in order

Recent population projections from the Fargo-Moorhead Metropolitan Council of Governments (Metro COG) anticipate that, compared to 2020, the **City of Fargo will have close to 30,000 more residents and 15,000 more households by 2045.** The same projections anticipate that the entire region will have 86,000 more residents and 35,000 more households.

These growth expectations exist alongside the emerging reality that population growth in the United States will sharply decrease in the coming decades due to declining birth rates, aging, and lower rates of foreign immigration. Continued growth in this context will depend on Fargo's ability to sustain economic growth in both its legacy and innovation sectors in ways that continue to attract and retain diverse talent from other parts of the region and country.

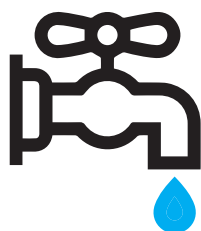


Source: MetroCOG 2050 Baseline Demographic Forecast (November 2022), "most-likely" scenario

Major infrastructure systems have (or will soon have) capacity to accommodate current growth patterns for at least another 20-25 years

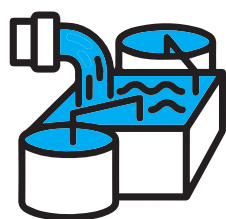
Independent of how and where this projected growth occurs—and how the FM Diversion might influence growth patterns—**there is little question that the City of Fargo's systems are capable of absorbing this potential growth.** Recent or ongoing investments in major infrastructure systems mean that Fargo already has substantial capacity for additional residents and economic activity—including wastewater treatment capacity for 92,000 additional residents and treated water capacity for 50,000 additional residents.

Water



Capacity for an additional **50,000 residents**

Wastewater Treatment



Capacity for an additional **92,000 residents** after ongoing upgrades are completed

Solid Waste



25 years of landfill capacity at current growth rate and disposal practices

Source: Capital Facilities Analysis prepared by MRB Group for Fargo Growth Plan 2024

Most Fargoans think that modest adjustments are needed to future growth patterns

A long-range growth plan is an opportunity for a city to confirm its current direction, to make small changes in that direction, or to lay the groundwork for significant changes.

Feedback from online surveys during the summer and fall of 2023, as well as two rounds of open houses and community conversations convened by advisory committee members suggest that a significant change in course is NOT something that most Fargoans would embrace. Rather, most participants in this process have indicated a need for modest course corrections.

As development preferences identified in the second component of this Preferred Growth Scenario suggest, Fargoans are supportive of prevailing levels of density but would prefer new development to have a more urban form (including greater integration of land uses and housing types) and higher standards for residential and commercial design. They would also prefer to see a greater balance of future growth absorbed by established areas through infill and redevelopment.

Satisfied with current course

Fargo has been dealing with growth about as smoothly as might be expected, and I think the results are mostly positive.



ONLINE SURVEY

11%



OPEN HOUSE ROUND #1

5%

Some course corrections needed

While growth has brought some positive changes to the community, I have concerns about how Fargo has been growing and the impacts of growth on aspects of life here.

67%

70%

Major course correction needed

I don't like how Fargo has been growing and the impact that growth has been having on the community.

22%

25%

Source: Analysis of feedback from two open houses during June 2023 (23 participants) and online survey at FargoGrowthPlan.org during June and July 2023 (103 participants)

Preferred Growth Scenario's Three Components

The draft Preferred Growth Scenario is comprised of three components that draw on these key takeaways and would each guide the character of growth in Fargo regardless of how much the city grows in the years ahead. These components—outlined on the following pages—include:

**COMPONENT #1
A Vision and Decision-Making Framework for Practical Growth**

**COMPONENT #2
Preferences for How and Where Fargo Grows**



**COMPONENT #3
A Complementary Approach to Land Development Policy**



COMPONENT #1

A Vision and Decision-Making Framework for Practical Growth



For a plan to stand a chance of being implemented—especially a long-range plan that requires continual fidelity to a payoff that is years and often decades down the road—the plan’s vision must relate directly to what the community most deeply cherishes: the beliefs and attitudes that define how the community operates and why it makes the decisions it does. When a vision is rooted in this way, a plan—and its Preferred Growth Scenario—will reflect what the community has already demonstrated a willingness to do.

Of the many cherished values central to Fargo’s community DNA—frugal, modest, respectful—one value consistently stands out for its influence on community and individual decision-making:

Fargo values what is practical.

Practicality and its influence as Fargo’s overarching value

Consistently choosing to be practical reflects a commitment to delivering tangible, real-world benefits and, in doing so, embracing the wisdom that the best solution to a problem is often the simplest.

The practicality in Fargo’s DNA taps into this basic meaning of “practical,” but there is more to it—especially as it relates to how Fargo has grown. Fargo’s practicality has driven decision-making around growth in subtle and specific ways that have served the community well:



Far-sightedness

Practical is not synonymous with short-sighted. Fargo has many practical AND far-sighted achievements in its history and its present. The FM Diversion and its long-term flood protection impact is a far-sighted achievement with immense, long-term practical value to future generations. As a result of the project, Fargo will have flood-protected lands with potential to serve any number of practical future needs. It is a big, expensive project that the community was willing to undertake (with considerable local resources devoted to the project) primarily because of its practical value.



Fiscal responsibility

Though it faces fiscal headwinds from time to time, Fargo has a history of fiscal conservatism and of preserving its capacity to invest in basic services and infrastructure. This is reflected in Fargo’s practical, pay-as-you-go approach to growth in recent decades that has paid for infrastructure expansion through special assessments on the end users. Though not without shortcomings, this is a more practical and orderly way to grow than the heavily subsidized sprawl found in most places that have grown as quickly as Fargo has over the past 40 years, and one reflection of this is Fargo’s lighter leapfrogging footprint compared to so many other places in America over the same period.



Stewardship of assets

The careful tending of an impressive tree canopy is perhaps the best and most visible example of Fargo embracing an ethic of community stewardship that imparts very tangible benefits to the community—from cooler streets in the summer, to wind screening in the winter, to the market value added to properties on beautiful tree-lined streets. Importantly, nor is the management of the city’s impressive tree canopy the only excellent example of the community stewarding something of civic importance. The city’s recovery and subsequent expert nursing of downtown is another, revealing a willingness to do what is necessary to ensure Fargo’s future is anchored by Fargo’s past.

No community is always far-sighted, always fiscally responsible, or always a good steward of its assets, and Fargo is not special in this regard. When lapses occur, there may be any number of forces within or beyond a city’s control that result in regrettable decision-making. Often in Fargo, lapses can be traced back to the community’s practical nature.

The practicality of avoiding “no”

It may be cliché to say that Fargoans are polite and that the politeness owes to immigrants having to get along with each other to survive harsh winters, homesickness, and loneliness on the frontier. But there is no getting around the pronounced degree of politeness and reserve plainly visible to outsiders—a politeness that can make it difficult for the community to say “no” even when it should.

When it comes to how Fargo grows, difficulty with saying “no” has produced visibly uneven results. While Fargo’s policy of making growth pay its own way has been both practical and wise, what has ultimately been built is often impractical and unsightly—thoughtlessly designed buildings in poorly proportioned subdivisions that will not add value to the community in the long-run.

Mistaking expedient for practical

Saying “yes” to something that isn’t optimal but probably “good enough” can often be rationalized as practical. Why demand higher standards when a proposal clearly delivers basic utility (habitable housing, serviceable commercial space, etc.)? To demand better may sometimes feel insufferably fussy, or even greedy, to a practical people.

When such compromises are made, however, the community isn’t actually being practical—it’s not tapping into the practicality of being far-sighted, fiscally responsible, and practicing good community stewardship. Such compromises, rather, are a form of expediency that lead to short-sighted decisions and detract from creating larger, long-term benefits.

With “practicality” as a core value that also acts as a double-edged sword, Fargo’s vision for growth and a decision-making framework based on that vision must (1) amplify Fargo’s historical tendency to view the more difficult path as eminently superior if it creates tangible, long-term value, and (2) help Fargo avoid situations where it’s prone to distort “practical” into harmful behaviors—the inability to say “no” and the acceptance of expedient solutions.

A Vision for Practical Growth

Through the adoption and implementation of the Fargo Growth Plan 2024, our community embraces a distinctively Fargo path called *Practical Growth*. Regardless of how much Fargo grows in the coming decades, we aim to grow in a manner that expresses our practical commitment to:



Being far-sighted

We consider long-term implications of decisions big and small and ask "Is this something we'll be proud of and that will add value to our community in 30 years?" It is more practical to get things right from the start and create something of lasting value than to be saddled with something either costly or regrettable in the not-so-distant future.



Being fiscally responsible

If something is cheaper, it doesn't necessarily mean it's the fiscally responsible choice. Part of being far-sighted is making sure that we are being smart with our community's resources and can pay our bills and be self-reliant in the long-run. It is more practical to guard our community's resources and use them wisely than to put the next generation in the position of paying for our mistakes.

Valuing fiscal responsibility as a tenet of practical growth also creates an important test for our community: "If we say something is a priority, how willing are we to have skin in the game—to use our own resources to make sure something is done right?"



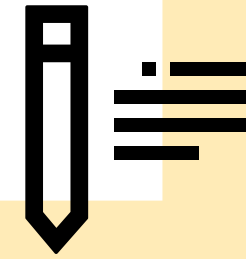
Being good stewards

Fargo is filled with natural, historical, recreational, and other community assets that have served us well and will continue to serve us well if we invest in them and keep them strong. It is more practical to invest wisely in our most cherished assets than to see them diminished and devalued.

We will not approve projects that are not far-sighted, fiscally responsible, nor developed in such a way as to enable affordable stewardship because these are values closely tied to our community's practicality.

To make decisions that are in line with these commitments and to avoid habits that can lead to comfortable but impractical choices, we embrace the following principles for growth

Principles for Growth



Development or redevelopment, and the rules that govern it, must be predictable

- ✓ Our land development policies and processes should be as predictable and consistently applied as possible, avoiding case-by-case discretion. Transparent rules that are evenly and automatically applied reduce the number of situations where a Fargoan is forced to render "impolite" verdicts.
- ✓ We must guard against a tendency to see convenience and expediency—which can lead to unpredictable decision-making—as equivalent to being practical.
- ✓ The rules that govern the public realm and private development and redevelopment in Fargo should reflect practical standards of quality and durability—creating neighborhoods that have lasting value and are fiscally responsible.



Achieve an intentional balance between new development and redevelopment

- ✓ Go2030 and the downtown and core neighborhoods master plans all assert the importance of reinvestment. Not letting established parts of the city decline is practical as it avoids failing to maximize the value of the existing infrastructure previous generations worked so hard to put in place.
- ✓ Fargo's growth rate in recent decades has required new development to accommodate thousands of new households, and Fargo's 2007 growth plan called for an orderly and balanced approach to accommodating growth on the city's edges.
- ✓ Going forward, we will be intentional about achieving a balance between redevelopment of existing areas and development on the frontier. We recognize that diverse living options to suit different needs and lifestyles is an important part of keeping Fargo competitive. At a community-wide level, and within different areas, we should strive to achieve a mix of fiscally responsible development types to make Fargo as adaptable as possible to evolving market demands.



Outward expansion should occur within a framework of practical conditions

- ✓ Growth patterns that are balanced and predictable should be tied to well-understood conditions, such as the 2007 Growth Plan communicated a tiered system (Tier 1 and Tier 2) for shorter-term and longer-term areas of development.
- ✓ Going forward, transparent and practical conditions for outward expansion of Fargo's footprint should reflect an intentional balance between development and redevelopment, with new development steered in certain directions when specific conditions are met in already established areas.

COMPONENT #2

Preferences for How and Where Fargo Grows

Preferences that reflect the types of growth that Fargoans are willing to support—and translate into policies that guide development processes and public investments—can be drawn from a combination of previously adopted policy statements as well as preferences expressed during the growth planning process.



As it happens, there is a high degree of agreement between recently adopted policy statements and recently expressed preferences.

Direction from Fargo's Adopted Plans

Fargo's current comprehensive plan (G02030) and growth plan (2007 Growth Plan) share a consistent vision for the future and reflect "smart growth" language and principles that have been widely adopted since the late 1990s. The embrace of infill development and reinvestment in G02030's vision has influenced recent amendments to the comprehensive plan, including the InFocus downtown master plan from 2017 and the Core Neighborhoods Master Plan from 2020.

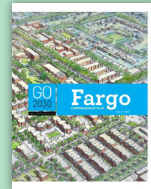
G02030 Comprehensive Plan

Fargo's current comprehensive plan was adopted in 2013 and contains a very general vision statement: In 2030 Fargo will be a vibrant and sustainable city with a high quality of life, robust economy, and welcoming community atmosphere.

Elaborating on this vision statement, G02030 provides nine guiding principles as well as a series of "Key Initiatives" that exemplify the guiding principles. When ranked in order of priority, the resulting list of initiatives provides a deeper sense of G02030's vision and how it relates to growth.

G02030 "Key Initiatives" in Order of Prioritization (top 15 out of 39)

1. Permanent Flood Protection
2. Promote Infill
3. Public Art
4. Bicycle/Pedestrian Infrastructure
5. Design Standards
6. City-Wide Trail Loop
7. Public Gathering Spaces
8. Community-Wide Energy Efficiency and Renewable Energy Production
9. Quality New Development
10. Year-Round Recreational Opportunities
11. Tree Canopy
12. Parks, Open Space, and Habitat
13. Healthy Food
14. Amenities and Beautification as an Economic Development Tool
15. Festivals and Cultural Events



Several items on the list of prioritized initiatives are notable for their influence on growth planning and their connection to Fargo's value for practicality. Permanent flood protection, for example, is the top priority—and its imminent achievement will shape where Fargo grows in the coming decades. The promotion of infill, the second priority, expresses a clear desire for balance with regard to redevelopment and new development. And the expression within the Top 10 list of bicycle/pedestrian infrastructure, design standards, and quality new development indicate a clear desire to improve the function and design of redeveloped or newly developed spaces.

G02030 also identifies what it calls "Catalysts" for implementing key initiatives. To some extent, these catalysts show how multiple initiatives can be integrated with one another, especially walkable mixed-use centers, signature streets, and active living streets.

Nearly every prioritized initiative in G02030 has some bearing on where and how Fargo grows

To date, progress with the conception and implementation of the FM Diversion Project represents the clearest accomplishment of the G02030 process and perhaps its biggest impact on how Fargo grows into the 21st century. At the same time, considerable progress in making Downtown Fargo a more vibrant, walkable, and mixed-use center—guided since 2017 by the **Downtown InFocus Master Plan**—is another achievement with real victories around the promotion of infill and other reinvestment-related goals.

The Core Neighborhoods Master Plan from 2020, meanwhile, has guided progress to date with regard to code enforcement and neighborhood coordination, and direction for other planning initiatives.



2007 Growth Plan

The 2013 comprehensive plan echoes many themes from the 2007 Growth Plan, especially where the 2007 plan describes livability and quality of life as important characteristics for future growth. To achieve these characteristics, the plan identifies the following as key traits to embed in new development:

- Well-connected and walkable year-round
- Strong, cohesive neighborhood units
- Use of smart growth principles to keep development compact and limit the cost of building and maintaining new infrastructure



In its goals and objectives, the 2007 Growth Plan also describes energy efficiency (limit sprawl), multi-modalism, design standards, and high-quality public spaces as important guiding principles for future growth.

While aspects of the growth plan's vision for growth have, like G02030, been limited in execution due to an outdated Land Development Code (LDC), the growth plan has had a clear and important policy impact in terms of directing where new development takes place on Fargo's periphery. The designation of Tier 1 areas to absorb growth in a 20-year time horizon, and Tier 2 areas for a 50-year time horizon, have contributed general predictability with regard to where new development has taken place, though a lag in commercial development to support new residential development has been noted as hindering the growth plan's vision for fully functional peripheral neighborhoods.

How and Where Growth Should Happen

The preferences expressed during the growth planning process reinforce visions for Fargo laid out by adopted plans over the past two decades. They also highlight many subtle but important distinctions between how and where Fargoans want to grow and how the city is likely to grow if current trends and ways of managing growth are continued.

The following pages call attention to these distinctions between the Preferred Growth Scenario and a Current Trend Scenario.

HOW

Current Trend Scenario **Preferred Growth Scenario**

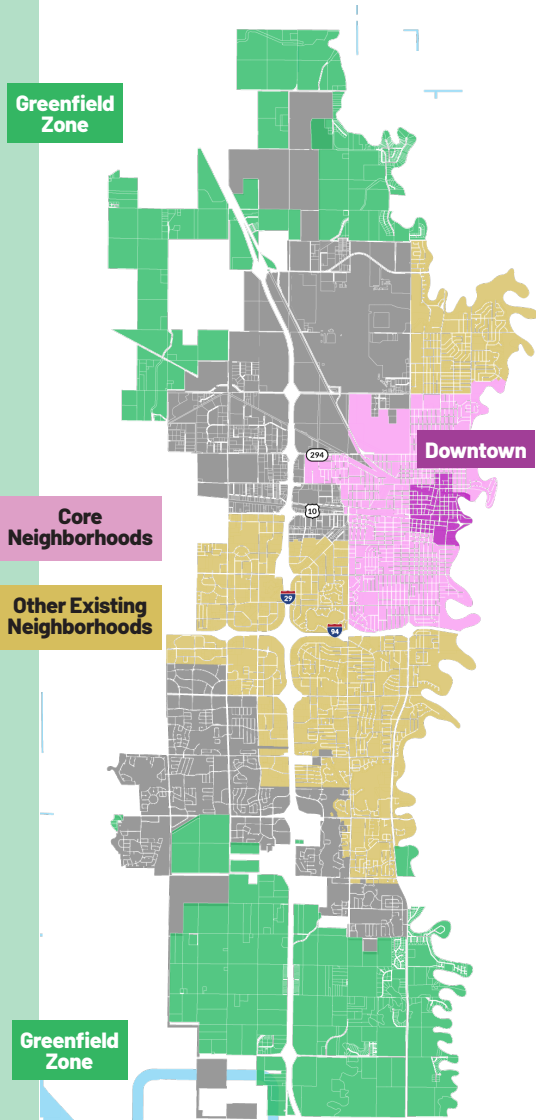
			Current Trend Scenario	Preferred Growth Scenario	
Land Use Distribution	How mixed should residential and non-residential land uses be?	<p>Highly mixed Somewhat mixed Highly separated</p> <p>1 2 3 4 5 6 7 8 9 10</p>	8	5	Greater mixing of land uses
Housing Type Distribution	How mixed should different types of residential structures be?	<p>Highly mixed Somewhat mixed Highly separated</p> <p>1 2 3 4 5 6 7 8 9 10</p>	9	5	Greater integration of housing types
Residential Density	How many housing units per acre should a typical neighborhood have?	<p>Housing Units Per Acre: 20-30+ 15-20 10-15 8-9 6-7 5-6 4-5 2-3 1 <1</p> <p>Dense urban Moderate Sparse Suburban</p> <p>1 2 3 4 5 6 7 8 9 10</p>	6	5	Slightly higher densities, but in more integrated and traditional urban forms
Neighborhood Form	How well connected should adjacent neighborhoods be?	<p>Many connections Moderate connections Few connections</p> <p>1 2 3 4 5 6 7 8 9 10</p>	7	4	Denser, more gridded neighborhood structure, with more direct connections between adjacent neighborhoods
Residential Design and Character	How important is the aesthetic quality and design of residential areas?	<p>Special Nice enough Basic</p> <p>1 2 3 4 5 6 7 8 9 10</p>	8	4	Substantially better form and design in newly developed or redeveloped residential areas
Commercial District and Corridor Design and Character	How important is the aesthetic quality and design of commercial districts and corridors?	<p>Special Nice enough Basic</p> <p>1 2 3 4 5 6 7 8 9 10</p>	8	4	Substantially better form and design in newly developed or redeveloped commercial areas and along major corridors
Quality of Character of Civic Spaces and Buildings	How much effort and expense should go into civic spaces and buildings?	<p>Special Nice enough Basic</p> <p>1 2 3 4 5 6 7 8 9 10</p>	4	4	Maintenance of current standards for public space design

Current Trend Scenario	Preferred Growth Scenario	Key Differences Between the Current Trend and Preferred Growth Scenarios
<p><i>How Fargo would keep growing if current trends continue and it does nothing differently</i></p> <p>8 land uses beyond downtown tend to remain segregated; while residential and commercial uses continue to be in close proximity to each other, there is a clear sense of separation between them</p>	<p><i>How Fargo would grow if it achieves the Fargo Growth Plan 2024 vision for growth</i></p> <p>5 moderate levels of land use integration in newly developed areas; strengthening of mixed-use fabric in traditional areas</p>	Greater mixing of land uses
<p>9 a range of housing types continue to be produced in different parts of Fargo, but different types tend not to be integrated; apartment blocks, small multi-family structures, and single-family homes remain distinctly separated from each other</p>	<p>5 moderate levels of integration of single-family and multi-family housing types within newly developed areas; preservation of integrated residential fabric in traditional areas</p>	Greater integration of housing types
<p>6 average densities of 6 to 7 units per acre in newly developed areas; denser multi-family redevelopment along established corridors and downtown</p>	<p>5 average densities of 8 to 9 units per acre in newly developed areas; denser multi-family redevelopment along established corridors and in downtown</p>	Slightly higher densities, but in more integrated and traditional urban forms
<p>7 newly developed neighborhoods tend to have non-gridded street networks that don't connect directly to adjacent subdivisions; residential blocks and commercial blocks along corridors tend to be large with limited intersections</p>	<p>4 newly developed neighborhoods tend to have gridded, denser street patterns that mirror traditional forms in Fargo's core, including direct connections to adjacent residential and commercial developments; walkability between neighborhoods is high</p>	Denser, more gridded neighborhood structure, with more direct connections between adjacent neighborhoods
<p>8 good urban form continues to be achieved in downtown residential development but is inconsistent, and generally poor, elsewhere; new residential areas are generally not pleasant or comfortable places to navigate without a car</p>	<p>4 attention paid to getting the basics of good urban form right in the development and redevelopment of areas with residential uses, especially in how private development addresses the public realm; focus on form, but not overly fussy or prescriptive about design details</p>	Substantially better form and design in newly developed or redeveloped residential areas
<p>8 good urban form continues to be achieved in downtown development but is inconsistent, and generally poor, elsewhere; new commercial areas are generally not pleasant or comfortable places to navigate without a car; major corridors continue to look and feel utilitarian</p>	<p>4 attention paid to getting the basics of good urban form right in the development and redevelopment of commercial areas, mixed-use areas, and major corridors; recently developed or redeveloped commercial spaces have a clear sense of place and are pleasant to navigate by multiple modes</p>	Substantially better form and design in newly developed or redeveloped commercial areas and along major corridors
<p>4 Fargo continues to use civic buildings and spaces as an opportunity to demonstrate high standards</p>	<p>4 Fargo continues to use civic buildings and spaces as an opportunity to demonstrate high standards while requiring higher standards for private development citywide</p>	Maintenance of current standards for public space design

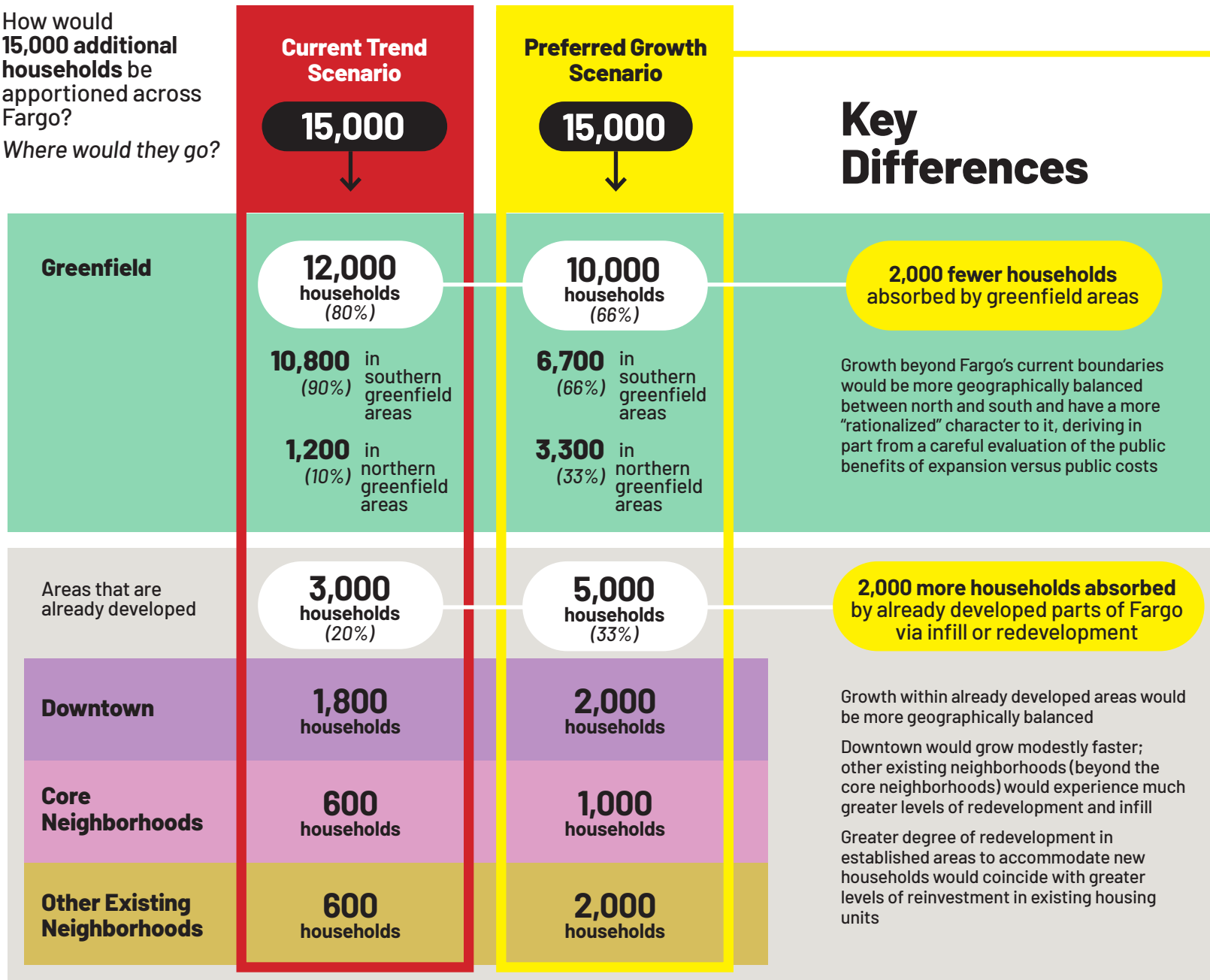
How and Where Growth Should Happen

WHERE

Fargo's Potential Growth Zones



How would **15,000 additional households** be apportioned across Fargo?
Where would they go?



Projected Impacts

More limited extensions of existing services to greenfield areas and more efficient utilization of existing service infrastructure

Higher degree of fiscal health due to improved revenue generation per acre in areas of infill and redevelopment and higher quality greenfield growth

Alternative modes of travel more feasible and reliable throughout the city; **greater degree of travel choice**

An **expanded collection of high quality places** (including and beyond downtown) make Fargo more competitive for skilled workers and the businesses that need those workers

Greater levels of income integration in both newly built and established areas

Lower consumption of undeveloped land; developed areas (new and existing) are more dense and energy efficient

Implications for Implementation

Development in already established areas is inherently more expensive than greenfield development due to higher land values and redevelopment costs; LDC and incentives would need to put development in established areas on an equal or better cost feasibility footing as greenfield sites

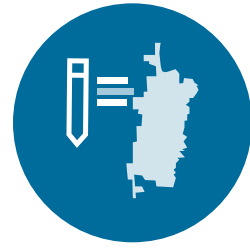
Greenfield developments would only receive incentives if they occur in locations that advance long-term strategic goals

A greater focus on greenfield development at the city's northern end would require greater levels of public investment in amenities to draw the market in a direction that it has not been choosing on its own

Infill in the core neighborhoods is more likely to occur as redevelopment of obsolete (and therefore lower value) commercial sites than in the Other Existing Neighborhoods, where infill is more likely to take shape in strategically prioritized growth nodes and corridors

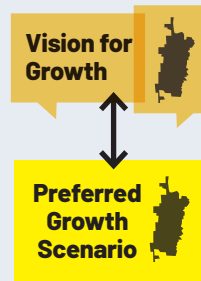
Stronger incentives for reinvestment in existing housing stock (than currently exist) would be needed

A Complementary Approach to Land Development Policy



Bridging the Gap Between Vision and Preferences

To move in the direction of the Preferred Growth Scenario, **there is a gap that needs to be bridged** between the vision and preferences that have been expressed during the growth planning process (and outlined in the first two components of this briefing) and the systems that are in place to actually shape development outcomes. It is actually a longstanding gap that grew wider when the G02030 comprehensive plan was adopted—espousing a vision similar to this Preferred Growth Scenario—but not adequately followed by complementary changes to Fargo’s Land Development Code (LDC) or its extensive set of development incentives.



A bridge for this gap is outlined by the principles of the decision-making framework for ‘Practical Growth’ described under Component #1. The way to cultivate a fidelity to following those principles—while incorporating Fargo’s value for practicality and its polite impulses—is to create an approach to development policy that is infused by those principles and expresses the community’s development preferences. In other words, what Fargo needs to move in the direction of its Preferred Growth Scenario is **an approach to land development policy that defines what the community is willing to say “yes” to: “yes” through its Land Development Code and “yes” through its land development and economic incentives.**



Land Development Code



Plans (growth plans included) are all non-binding documents, even when they are officially adopted. Implementation rests on the successful translation of these plans into rules, regulations, and public investments that actually shape private investment patterns. And a Land Development Code—which encompasses land use regulations, zoning district standards, general development standards, and administrative processes—is often a growing community’s most important tool for realizing outcomes sought by its plans.

The City of Fargo Land Development Code Diagnostic Report, issued in September 2020, found that Fargo’s current LDC “fails to implement the goals of the G02030 Comprehensive Plan in certain key areas. For example, the goal of creating walkable, mixed-use centers is only possible in a small portion of the city whereas G02030 strives to make this possible in areas outside of downtown.”

The current LDC’s deficiencies, in short, are well known to the City of Fargo, which aims to use the Fargo Growth Plan 2024 as a basis for making crucial updates to the LDC. And much of the Preferred Growth Scenario articulated by the planning process would support key updates that were already under consideration due the 2020 Diagnostic Report, including:

- **Form-based development standards** for the Downtown Mixed-Use and University Mixed-Use zones as well as for the multi-family residential zones and commercial corridors;
- **Objective design and development standards** for all mixed-use, multi-family residential, and commercial development projects which build on the form-based standards, with more specific provisions for elements such as façade articulation;
- **Modernized and updated** subdivision regulations with appropriate best practices;
- **Streamlined and clarified approval processes**, while also adding administrative level flexibility.

What the Preferred Growth Scenario would further support is a **highly predictable and transparent by-right approach to development** whereby proposals that are compatible with the growth plan and follow the regulatory guidance of an updated and more flexible LDC are automatically approved.

Land and Economic Development Incentives



Over time, Fargo has accumulated a wide range of incentive tools that influence how, where, and whether development happens. An approach to land development policy that complements the Preferred Growth Scenario would provide an overarching framework to

determine when incentives should be used, when they should be used with conditions, and when they should not be used at all.

The absence of such an overarching framework tied to clear long-range outcomes has been a challenge for decision-making in Fargo for years. As a consequence,

the decision to use one incentive on a project may be totally independent from a decision to use a different incentive on the same project. Or interpretations of how well projects align with community goals may feel like a moving target.

Another challenge is the often narrow view of what constitutes an “incentive” in Fargo. For the purposes of providing direction on the implementation of the Preferred Growth Scenario, the new growth plan will be very broad in its definition of incentives—including recognition of the Land Development Code as a key part of a modern and flexible incentives system.

Examples of existing incentives in Fargo that would be guided to support the Preferred Growth Scenario include:

Tax and Investment Incentives

- Tax Increment Financing (TIF)
- Renaissance Zone (Income & Property Tax exemptions; RZ Fund investments)
- Opportunity Zone Fund investments
- Downtown Incentive Boundary
- Payment In Lieu Of Taxes (PILOT)
- Property Tax Exemptions
- Special Assessment Eligibility
- Eligibility for City and/or HUD (CDBG & HOME) funding support
- Discounts on sale of City-owned land

Entitlement Processes

- Expedited subdivision approvals
- Expedited zoning approvals
- Conditional zoning bonuses
- Expedited building permit approvals

Infrastructure

- Water
 - Access to current or expanded infrastructure
 - Drought protection efforts
- Water Reclamation
- Storm Water/Sewer
- Transportation (roads/trails/transit)

All of these tools facilitate private investment by reducing private costs and risks

By-Right Framework for Development Policy

An approach to land development policy that is complementary with the Preferred Growth Scenario can be summarized conceptually by this by-right policy framework. During the remainder of the growth planning process this framework will be fleshed out in greater detail. At its core, however, the framework will be a tool for defining the degree to which a proposed development or redevelopment aligns with the Preferred Growth Scenario—and, consequently, how it should be treated by an updated LDC and by a well-coordinated system of land and economic development incentives.

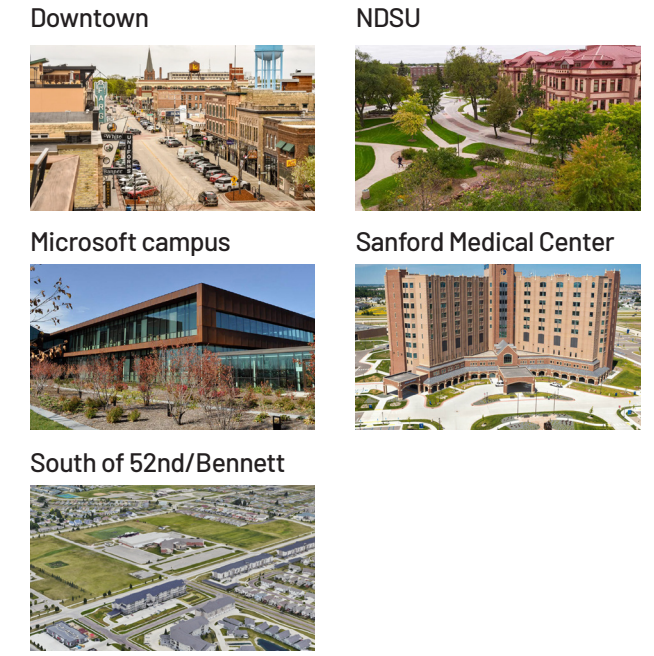
Clear thresholds for saying “yes” to new greenfield development (that can also flex over time) will be a critical component of the finalized growth plan given the share of growth that will continue to take place beyond the urban frontier; these are conceptual examples that will be refined.

Checklists that will help City staff and officials determine a project’s compatibility with the growth plan will be important tools to guide decision-making.

		Characteristics of Development or Redevelopment			Policy and Legal Standing		
		WHERE		HOW			
		Greenfield	Redevelopment or Infill		Growth Plan 2024	Updated LDC	Updated Incentive Policies
Optimal	<i>Fully aligned with the Preferred Growth Scenario if...</i>	Within 1/4 mile of sewer and water infrastructure at time of proposal	Downtown, or within a designated growth node or corridor in the core neighborhoods or other existing neighborhoods	Contributes fully to the realization of form and function goals for the development location's place type (mixing of uses, housing types, design, connectivity)	Prioritized by growth plan; encourage all City policy and investment levers to actively assist and facilitate	Allowed by-right by the LDC	Eligible for all relevant incentives
Good	<i>Mostly aligned with the Preferred Growth Scenario if...</i>	Within 1/4 mile of sewer and water infrastructure at time of proposal	Downtown, or within a designated growth node or corridor in the core neighborhoods or other existing neighborhoods	Contributes to some but not all of the form and function goals for the development location's place type	Recognized as generally compatible with growth plan	Allowed by-right by the LCD	Eligible for partial incentives IF redevelopment or infill
Acceptable	<i>Partially aligned with the Preferred Growth Scenario if...</i>	Between 1/4 and 3/4 mile of sewer and water infrastructure at time of proposal	Outside of downtown or designated growth nodes/corridors	Contributes to some but not all of the form and function goals for the development location's place type	Recognized as generally compatible with growth plan	Allowed by-right by the LCD	Not eligible for any incentives of any kind
Unacceptable	<i>No alignment with the Preferred Growth Scenario if...</i>	3/4 mile or more from sewer and water infrastructure at time of proposal	Outside of downtown or designated growth nodes/corridors	Does not contribute to the form and function goals of the development location's place type	Recognized as incompatible with growth plan	Not allowed by-right but may be permitted as a conditional use	Not eligible for any incentives of any kind

Identification of specific **growth nodes and corridors** would be a key part of the finalized growth plan, as would the definition of general **place types**

Growth nodes would be focal points for incentives targeted at private investment as well as public investments in community infrastructure. Examples of potential growth nodes in already developed areas include:



Examples of **place types and corridor types** to define and characterize in preparation for an LDC update include:

- Downtown
- Urban Neighborhood
- Neighborhood
- Mixed Use Center
- Mixed Use Corridor
- Mixed Employment Center
- Town Center
- Suburban Neighborhood
- Suburban Corridor
- Edge / Green / Rural
- Campus - Institutional
- Parks - Green Space

Next Steps



Starting next month, the growth planning process enters its third and final phase. From January through April 2024, the direction set during the first phases of the process will be translated into a full growth plan with all of the recommendations and tools needed to guide the implementation of the Preferred Growth Scenario—including guidance on how to rapidly move forward with updates to the Land Development Code.

To get to a finalized draft by the middle of spring, the next steps of the planning process include:

- 1. Gather feedback on the draft Preferred Growth Scenario and its components during December**
- 2. Refine the Preferred Growth Scenario and produce a “confirmed” version in early January**
- 3. Begin the development of growth plan documents in January, with preliminary drafts ready by the beginning in March, including:**
 - Detailed Preferred Growth Scenario
 - Completed policy framework, including recommendations for LDC and incentives
 - Future land use maps and identification of growth nodes and corridors
 - Place types and characteristics
 - Guidance for reconciliation of existing and future plans

