Planning & Development
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RENAISSANCE ZONE AUTHORITY
Wednesday, August 28, 2024 | 8:00AM
Meadowlark Room
AGENDA

1. Renaissance Zone Development Plan Workshop
2. Upcoming Meetings:
    a. Special Meeting: September 11, 2024
    b. Regular Meeting: September 25, 2024
3. Adjourn

Renaissance Zone Authority meetings are broadcast live on cable channel TV Fargo 56 and can be seen live at www.FargoND.gov/streaming. They are rebroadcast each Friday at 3:00 p.m. Minutes are available on the City of Fargo Web site at www.FargoND.gov/renaissancezoneauthority.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Planning Office at 701.241.1474. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

THE CITY OF Fargo FAR MORE

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MEMORANDUM

TO: Renaissance Zone Authority

FROM: Nicole Crutchfield, Planning Director

DATE: August 23, 2024

RE: Renaissance Zone Development Plan update: Discussion on Investment Thresholds

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At the workshop meeting, staff will present on the Renaissance Zone Development Plan (RZDP) update as well as walk through the recently approved 2024 Fargo Growth Plan (FGP24). Over the last several months, several components of the RZDP have been identified as opportunities to include for the plan update. In addition, one of the primary findings of the FGP24, is to align economic development incentives with future land development strategies. In the list of economic development incentives, Renaissance Zone incentives are included in the list of considering "optimal growth". Staff will provide more detailed information at the workshop.

Attached to the packet are slides that include an overview of the Renaissance Zone program, information on the Growth Plan, and the timeline to meet the mandated update deadline. For your reference, below are some links to resources you may find helpful in preparation for the workshop. Reviewing these materials in advance of the workshop is optional, as they merely serve as a basis to relay the resources staff utilizes in the operations of their work.

- Fargo Renaissance Zone Development Plan (2019)
- North Dakota Department of Commerce Renaissance Zone Program Statement
- North Dakota Century Code: Renaissance Zones
- Fargo Growth Plan (2024)

For this upcoming meeting, most members will be in attendance, however there will not be a quorum. As a result, since the City has received one application, a scheduled special call meeting is being

scheduled for September 11, 2024, 8:00 AM in the Commission Chambers. The next regular meeting is September 25, 2024.

Please reach out to staff with any questions at melshaug@fargond.gov or ncrutchfield@fargond.gov.

RENAISSANCE ZONE PLAN UPDATE

August 28, 2024

WORKSHOP

- Overview of Renaissance Program, Project Types, and NDCC requirements
- Review of other ND communities
- Growth Plan Update
- Staff Recommendation
- Next Steps – Outreach and Timeline
- 2025 and beyond

RENAISSANCE ZONE POLICIES – HOW IT WORKS…

- For Cities with a population greater than 5,000, the Renaissance Zone may expand above 34 blocks by one block for each additional 5,000 population, up to a maximum of **49** blocks
  - All blocks must have a continual boundary and be contiguous
  - If a block with commercial and residential property contains any government owned buildings, the city may have a half block
  - A city may have 2 three block area that is not contiguous with the rest of the Renaissance Zone
- A city may not propose to be part of more than one Renaissance Zone
- Approved zone projects may only be for activities that occur after the designation by the Department of Commerce of a Renaissance Zone
  - Before a potentially eligible purchase, lease or rehabilitation of property occurs, the zone project must first be approved by the City and the Department of Commerce as a zone project

TYPES OF PROJECTS

- Rehabilitation Projects
  - Includes residential, commercial or mixed-use
- New Construction Projects (or, Purchase [New Construction])
  - Includes residential, commercial or mixed-use
- Residential Projects
  - Includes single family homes or condominiums
- Lease
  - Commercial lease space

RENAISSANCE ZONE PLAN UPDATE - NDCC

- The Department of Commerce requires a request for a Renaissance Zone extension every five years after the initial 15 year Renaissance Zone Duration
- The City of Fargo created a Renaissance Zone district in 1999 and has requested extensions in 2014 and 2019
- In order to be considered for an extension the State of North Dakota Department of Commerce requires:
  - Updated development plan, including updated inventory
  - Explanation of why extension is needed
  - Letters of support from the school district and county
  - Results of the public hearing
  - City council minutes documenting approval

AT A GLANCE – OTHER ND COMMUNITIES

- Bismarck
  - Benefit: 5-year benefit only
  - Investment Thresholds:
    - Rehab: Comm $40/SF; Multi-Fam $30/SF
    - New Construction: Comm $150/SF; MF $100/SF
  - Currently going through process; likely have tiered benefit (% based on investment of current and true value)
- Minot
  - Benefit: includes 8-year (rehab) with 150% investment of current and true value
  - Investment Thresholds:
    - Tiered benefit
- Jamestown
  - Benefit: 5-year benefit only
  - Investment Thresholds:
    - Minimum Cap. Investment $10,000 (all projects)
    - New Construction: Comm. $20/SF
- West Fargo
  - Minimum Cap. Investment $10,000 (all projects)
  - Investment Thresholds:
    - Tiered benefit for comm rehab
    - Appears no min for new construction

Information has been simplified. For specifics and confirmation, each communities development plan should be reviewed

AT A GLANCE – OTHER ND COMMUNITIES

- Williston
  - Benefit: First city to include 8 year benefit
  - Investment Thresholds:
    - Tiered benefit
- Grand Forks
  - Benefit: Current process to include 8 year benefit
  - Investment Thresholds:
    - Previous didn't appear to have requirement above NDCC
- Valley City
  - Benefit: 5 year
  - Investment Thresholds:
    - Doesn't appear to have requirement above NDCC

Information has been simplified. For specifics and confirmation, each communities development plan should be reviewed

2024 GROWTH PLAN UPDATE

- City Commission approval on August 19, 2024

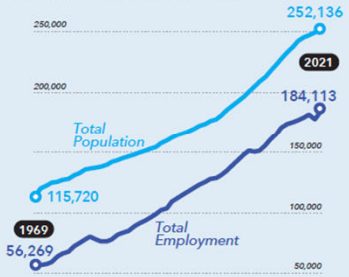
- Process began in March 2023 – 18 months
- Public engagement during 2023 and early 2024
- Preferred Growth Scenario released for public review and comment in December
- Initial Draft Plan released in May, updates in July and August

PART 1

Fargo's Growth History

Part 1 establishes a shared understanding of historical and recent growth patterns, the forces and systems that have shaped those patterns, and the implications of remaining on or deviating from Fargo's current path.

Steady Employment and Population Growth in Fargo-Moorhead Area, 1969-2021



Key Takeaways

- Fargo is planning for the future from a position of genuine strength
- Growth patterns have improved over the past 10-15 years
- Implementation of growth-related goals has been constrained by missing or outdated tools
- The FM Diversion creates urgency to "get it right," especially in the south
- Opportunities to be proactive about redevelopment will be important to seize

PART 2

Intentions for Future Growth

Part 2 defines the growth intentions that emerged during the planning process and that serve as the basis for the development of tools, policies, and processes to implement those intentions.

Fargo's intentions for growth are grounded by a commitment to *Practical Growth*, which will be echoed in decisions that demonstrate:

- Far-sightedness
- Fiscal responsibility
- Good stewardship
- Entrepreneurialism

Fargo's Preferred Growth Scenario reflects its application of principles for practical growth

Where Fargo Will Grow

66% **No more than two-thirds of Fargo's growth should be absorbed by greenfield areas, a sharp reduction from previous periods of growth**

33% **At least one-third of Fargo's growth should be accommodated by downtown, core neighborhoods, and other developed areas**

How Fargo Will Grow

No matter where growth is happening, it will be notably different from the late 1900s and early 2000s for having:

Substantially better **form and design** in neighborhoods and along commercial corridors

Greater mixing of different **land uses** and amenities

Greater integration of different **housing** types

Better connections between **neighborhoods**

An urban form that expands the range of **travel options** for Fargo residents

PART 3

Framework for Practical Growth Management

Part 3 lays out a policy framework that will shift Fargo in the direction of its intentions for growth by clearly expressing what Fargo can say "yes" to. The models within the framework all emphasize growth patterns that are more urban in character–more intensity, greater mixing–than recent patterns.

Practical Growth Management Components

Context-Sensitive Expectations

Fargo's growth intentions, and how those intentions relate to specific settings in existing parts of Fargo and on its edges, are communicated through four interconnected models for growth:

- Fargo's Transect
- Place Types
- Growth Grid
- Growth Centers

By-Right Development

A commitment to a streamlined system of by-right approvals ensures that projects that align with Fargo's growth intentions–and its clearly communicated expectations–receive the predictability and transparency of automatic administrative approvals.

Optimal Growth

Projects eligible for by-right approval are not automatically eligible for assistance or incentives. Only projects that represent "optimal" growth under the Framework for Practical Growth Management are actively helped by the City of Fargo as a way to encourage and promote developments that best express Fargo's intentions.

PART 4

Implementation Steps

Part 4 calls attention to the tools, policies, and processes that will need to be modified to successfully implement the Framework for Practical Growth Management. It recognizes that while the growth intentions described in Part 2 are not substantially different from the visions described by plans of the past 20 years, critical pivots to Fargo's growth systems are necessary to bring them into fuller alignment with Fargo's goals.

Tools, Policies, and Practices in Need of Attention

A New Land Development Code

Changes to Financial and Economic Development Practices

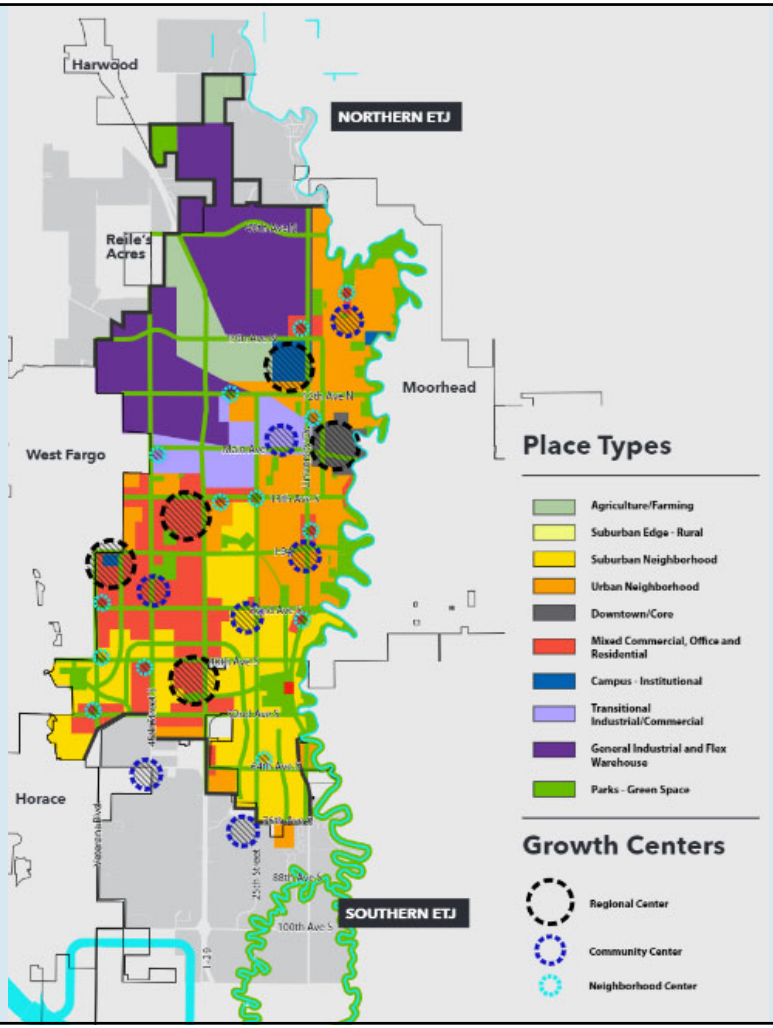
Enhanced Coordination of Public Infrastructure and Facilities

Outcomes to Measure and Monitor

At a basic level, Fargo will know if the Framework for Practical Growth Management is working–or if it needs adjustments over time–by measuring and tracking just a few key metrics.

- Is the distribution of growth outlined in Part 2 (66% in greenfield areas / 33% in already developed areas) being achieved?
- Are at least 95% of projects approved under a revamped LDC receiving by-right approval?
- Is the full market value of real estate growing at levels that reflect healthy value generation?

Place Type	Primary Uses	Secondary Uses
Agriculture / Farming	Large farms with crops and/or animals, large barns, grain silos, and associated structures	Residential structures associated with farming
Suburban Edge-Rural	Parks, plazas, open spaces, greenways, trails, flood plains, green infrastructure	Small mom/pop farming operations or 'farmettes', scattered cluster or conservation subdivisions, places of worship
Suburban Neighborhood	Small to medium lot single-family detached housing	Townhomes (with limited massing up to four units per building), duplex, triplex, quadplex, ADUs, places of worship, schools, day care centers, home offices
Urban Neighborhood	Small lot single-family detached housing, duplex	Triplex, quadplex, townhomes (with limited massing up to ten units per building), pockets of multi-family structures, places of worship, schools, daycare centers, home offices, neighborhood-scale retail and services
Downtown / Core	Office, service, commercial / retail, entertainment, cultural, government, civic, light manufacturing, and multi-family residential	Those that support the primary uses and do not detract from quality of place and economic vitality of downtown
Mixed Commercial, Office, and Residential	Commercial/ retail, distribution, warehousing, wholesaling, offices, flex buildings	Flex Warehouse, Multi-family residential
Campus - Institutional	Educational, medical	Retail and food services, multi-family residential
Transitional (or Flex) Industrial/ Commercial	Live-work, light industrial, makerspace	Multi-family residential, mixed commercial/retail uses
General Industrial and Flex Warehouse	Light and general industrial, flex warehouse	Commercial uses specifically related to the primary use
Parks - Green Space	Parks, plazas, open spaces, greenways, trails, flood plains, green infrastructure	Support services specifically related to the primary use, cemeteries, environmentally protected areas



Changes to Financial and Economic Development Practices

4 Align economic development incentives with the Growth Plan's optimal growth outcomes

The Framework for Practical Growth Management provides a basis for targeting public assistance to projects recognized as "optimal" forms of growth and should serve as the foundation for a revised set of policies and guidelines for economic development incentives. Some of these incentives should be imbedded in the new LDC as density bonuses. Other incentives should be provided in the form of special assessments, predevelopment incentives, or general financing incentives that lower a project's development or eventual operating costs.

Owing to the cost and complexity of redevelopment and infill, proper incentives to promote development in the Growth Centers will require the most attention. The City has been very effective in targeting an entire suite of incentives to downtown Fargo through the Renaissance Zone program. Unless and until the State of North Dakota expands that program dramatically, its utility beyond downtown will be very limited, requiring the use of other tools (property tax exemptions, PILOTs, and TIFs, for example) that will be applicable to the outcomes sought in different types of centers.

DEVELOPMENT PLAN RECOMMENDATION

- Back in January, we anticipated discussion on investment thresholds, boundary, and benefit period (8-year)
- A recommendation of the 2024 Growth Plan is to align economic development incentives (including Renaissance Zone) with the Growth Plan's optimal growth outcomes
- Because of the recommendation and other factors, staff is recommending holding steady with the 2024 plan components until economic development incentives have been reviewed
- We will continue with outreach and will come back to the RZA September/October, whether feedback from outreach and review/recommendation of final plan

INVESTMENT THRESHOLDS

- Additional time is needed to further evaluate concrete data of investment thresholds to know whether a change makes sense
- We anticipate hiring a economic expert to fully evaluate this as part of the incentive policy review
- Staff Recommendation: Hold with current thresholds until more thorough analysis has been completed

8 YEAR BENEFIT

- Additional time is needed to further evaluate the potential benefit prior to increasing it
- Times is needed to coordinate any proposed change with Fargo School Board and Cass County
- We anticipate hiring a economic expert to fully evaluate the potential and recommendations for the 8 year benefit
- Staff Recommendation: Hold with 5 year benefit until there's more information to determine the need and coordinate with peer agencies

BOUNDARY

- Currently, 47 of 49 blocks are identified
- The last 5 years hasn't seen the volume of projects as years prior, so many properties/blocks are still available
- Two areas for consideration are
  - Northeast part of Downtown (near Sahr's block)
  - West, along First Ave N
- Satellite Block
- Staff Recommendation: Hold with current boundary until review of incentive policy and until we learn more through implementation of Growth Plan (targeted centers)

DISCUSSION

OUTREACH EFFORTS FOR 2024 PLAN UPDATE

- Boundary wide mailing to property owners
- Public Open House – September
  - Invitation to Downtown Neighborhood Association and Downtown Community Partnership

ANTICIPATED TIMELINE FOR PLAN COMPLETION

- September – Public Open House
- September – RZA Workshop, if needed
- October – RZA Review of Final Document
- November 2024 – Present to School District
- November 2024 – Present to Cass County Commission
- November 2024 – Action on Plan by City Commission
- December 2024 – MOU signed by City and State

UPCOMING – 2025+

- Growth Plan recommendation to reevaluate Inventive Policies, including RZ
- Capturing robust data to support the narrative of the success of the RZ program
- Streamlining application processing and scoring

NEXT MEETINGS

- Special Meeting – September 11, 2024 8:00 AM
- Regular Meeting – September 25, 2024 8:00 AM