



# FARGO RENAISSANCE ZONE DEVELOPMENT PLAN

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2015



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## SHOWCASE PROJECTS

**HOTEL DONALDSON (521 1<sup>st</sup> Ave N):** Following the Fargo fire of 1893 this building was one of the first buildings constructed (1894) with a 3<sup>rd</sup> story added in 1915. The building was originally constructed by the International Order of Odd Fellows and in the early 1900's the property changed owners and was remodeled into a European style hotel. This property is identified as a “contributing” structure within Fargo’s downtown historic district.

This was one of the first significant Renaissance Zone projects in Fargo and acted as an important catalyst for the downtown core. Immediately prior to the rehabilitation project in 2000, the building was operating as a hotel with rooms offered at daily and weekly rates. The building was in disrepair as exhibited in the photo (right). In 1999 the building was valued at \$120,000 and the total rehabilitation investment is documented at \$7 million. Today, the assessed value of this property is approximately \$2.3 million. The Fargo Renaissance Zone Authority approved a 5 year property tax and income tax exemptions to assist in facilitating this project.



**NORTHERN SCHOOL SUPPLY (650 NP Ave):** This building is identified as a “pivotal” structure within Fargo’s downtown historic district. The building was constructed in 1903 for the Robb-Lawrence Company for use as an agricultural implement and machinery manufacturing warehouse. At the time, the structure was a testament to Fargo’s importance as a regional distribution center for agricultural equipment at the beginning of the 20<sup>th</sup> Century. In the early 2000’s the structure was scheduled to be demolished until a local developer purchased and then donated the building to the NDSU Development Foundation.

Upwards of \$10 million was invested into this rehabilitation project and the incentive package included 5 year property and income tax exemptions as approved by the Fargo Renaissance Zone Authority as well as historic preservation tax credits. In 2000, the building was valued at approximately \$200,000 and today the assessed value is in excess of \$11 million. In 2005 NDSU opened this building as its first downtown campus location which was integral to generating activity on the streets and increasing the demand for residential housing in the downtown core.



## SHOWCASE PROJECTS

### **UNION STORAGE – ARMOUR CREAMERY BUILDINGS (1026 NP Ave):**

These buildings are individually listed on the National Register of Historic Places (designation 2007). Both structures were built in 1929 during the Great Depression and were active businesses serving the agricultural processing industry. In addition, this property was the western anchor of “machinery row” which consisted of a number of warehouse and agricultural manufacturing interests on NP Avenue adjacent to the Northern Pacific (now BNSF) railroad mainline.



This property had remained vacant for a number of years until a RZ application was submitted in 2014 to rehabilitate the buildings into a mixed-use project. In total, there will be 40 upscale apartments in the former cold storage warehouse with 22 heated underground parking spaces and 34,000 square feet of office/retail space within the creamery building. The building was valued at \$530,000 in 2014 and approximately 9 million will be invested. The Fargo Renaissance Zone Authority approved a 5 year property tax exemption which held an estimated value of \$631,000 as well as income tax exemptions. In addition, the city approved a supplemental 10 year Payment in Lieu of Taxes (PILOT) incentive and the developer will be pursuing both federal and state historic preservation tax credits.

**FORD BUILDING (505 Broadway):** This building is identified as a “pivotal” structure within the Fargo’s downtown historic district. The building was constructed in 1914 and operated as an assembly plant and eventually as a sales/service center until the 1950’s. The building was situated immediately adjacent to the Great Northern Railroad tracks which provided efficient access to the rail.



As shown in the mid 2000’s photo (right) the building had undergone a series of exterior alterations which had impacted the buildings character and historic/architectural integrity. In 2005 a development group initiated a comprehensive mixed-use rehab project that included retail (first floor), office (second floor) and residential condominiums (third floor). The project was completed in 2007. In 2005 the building was valued \$1 million and the total investment is documented at \$7.5 million. The Fargo Renaissance Zone Authority approved a 5 year property tax and income tax exemptions as part of the incentive package for this project.







### **A Message from Renaissance Zone Authority Chairman, Dr. Roger Gilbertson**

As a member of the Renaissance Zone Authority since inception of the program in 1999, I have had the unique opportunity to observe both the evolution of the program and the undeniable impact of the program on Fargo's historic downtown core.

Similar to many downtown environments in other municipalities across the country, Fargo's downtown core suffered for many decades as a result of shifting demographic and cultural norms, as well as a myriad of other factors including failed urban renewal policies that eliminated important downtown urban infrastructure and the rise of suburban communities and suburban sprawl which was a product of interstate system construction and subsequent arterials that improved access to outlying strip malls and regional malls. As a result, property values in the downtown core were unstable and investments in buildings and infrastructure were limited.

In the mid 1990's the city of Fargo created a master plan that was intended to encourage investment in the downtown core with a focus on promoting downtown as business/governmental/financial/entertainment "district", transitioning industrial uses to more appropriate locations, increasing housing density and opportunities for housing projects and improving the appearance of downtown via design standards and targeted improvements to assets within the historic district. A vision emerged.

Shortly thereafter, the Renaissance Zone program was established which provided the framework for municipalities to provide significant incentives (both property tax and income tax) to developers, investors and property owners whom were willing to make substantial investments in downtown buildings. These incentives were (and will continue to be) critical to attract and entice economic development in the core.

Over the years, the Renaissance Zone program has been an instrumental tool in changing dynamics of the downtown core from a social, demographic, economic and urban form perspective. Property values have increased by nearly 195% since 1999 and at least a portion of this success should be directly attributable to the Renaissance Zone incentives and the general mystique that surrounds the program.

In closing, the Renaissance Zone program has without a doubt produced a significant ROI for the community. I look forward to seeing the evolution of this program to help achieve the community's collective vision for a robust, attractive and functional downtown.

A handwritten signature in black ink, reading "Roger Gilbertson". The signature is fluid and cursive, with the first name "Roger" being more prominent.

Dr. Roger Gilbertson  
Chairman, Fargo Renaissance Zone Authority

## **RENAISSANCE ZONE AUTHORITY MEMBERS**

Dr. Roger Gilbertson, Chairman

Cmmr. Melissa Sobolik

Cmmr. Dave Piepkorn

Bruce Furness

Deb Mathern

Steve Swiontek

Kris Sheridan

## **PLANNING DEPARTMENT (RZ PROGRAM ADMINISTRATION)**

Jim Gilmour, Planning Director

Nicole Crutchfield, Planning Administrator

Joe Nigg, Planner

Aaron Nelson, Planner

Maria Olson, Assistant Planner

Maegin Rude, Assistant Planner

## **DOWNTOWN FARGO**

From the day the first railroad crossed the Red River in 1871, the downtown has defined the community of Fargo and has served as the commercial center of this growing city. Historically, the downtown area (centered on Broadway) served as the primary regional hub of distribution, manufacturing, retail and professional trade for the city and entire state of North Dakota. Properties values increased, citizens prospered and the entire community took pride in its bustling core. However, in 1973, concurrent with the opening of the West Acres Regional Shopping Center, the downtown's role as a regional retail center was transferred to the fringe. This began the pattern of suburban sprawl as experienced in most communities across America following World War II.

Despite numerous efforts to reverse the trend, the removal of the district's retail focus proved debilitating to downtown Fargo for an extended period of time. Over the next several decades the downtown core was in a state of decline and despite numerous efforts to re-focus attention on city's core there was never a comprehensive vision that sustained momentum, until the late 1990's.

The issue of downtown revitalization has been on the city of Fargo's agenda since the 1950's and there have been several master planning documents created over the last two decades which have helped to formulate and implement a vision for downtown Fargo. These documents include:

*1989 Red River Visions Study*

*1996 Downtown Area Plan*

*2001 Downtown Framework Plan*

# INTRODUCTION

*2003 Riverfront Development Master Plan*

*2007 Downtown Framework Plan*

In 1999 the Renaissance Zone Program was approved by the North Dakota Legislature and signed by the Governor. This established an additional incentive with the intention of enhancing economic growth and investment opportunities in downtown business districts. This city of Fargo adopted the initial Renaissance Zone Development Plan in 1999.

## HISTORY OF THE RENAISSANCE PROGRAM IN FARGO

The original Renaissance Zone (RZ) legislation was passed by the 56<sup>th</sup> Legislative Assembly in 1999 and enabled local governments to establish Renaissance Zones and associated Renaissance Zone Funds (RZF). The legislation was signed into law on April 8, 1999 and was originally intended to be a fifteen (15) year program.

The city of Fargo signed a Memorandum of Understanding (MOU) with the North Dakota Division of Community Services on December 28, 1999 which established the ability for the City to create a Renaissance Zone program. The city of Fargo 15-year timeframe effectively expired at the end of 2014 and as detailed under N.D.C.C. 40-63-03(1)(f) this Renaissance Development Plan (RZ Plan) has been authored as one of the components necessary to extend the duration of the program by an increment of 5 years.

The initial city of Fargo RZ Plan was approved in December of 1999 and an update was completed in 2003 in response to legislative changes in 2001 and 2003. Additional legislative changes were made in 2005, 2007, 2009 and 2013 and the program has continued to evolve. Outlined below is a quick summary of the legislative changes:

Year	Session	Bill	Summary
1999	56	HB 1492	1. Original Enabling Legislation
2001	57	SB 2033	1. The definition of 'rehabilitation' was changed to include residential projects
2001	57	SB 2033	2. A provision was added to allow a one-time adjustment to zone boundaries after 5 years
		SB 2033	3. The amount of the Historic Preservation tax credit was reduced from 50% of the project cost to 25% of the project costs with a capped limit of \$250,000.

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		SB 2033	4.	The RZF provisions were changed to allow investments in Renaissance Zones (not limited to RZ projects) and funds could be invested in zone projects throughout the State.
2003	58	HB 1447	1.	The initial legislation authorized a 20 block RZ boundary. This provision allowed an additional block for every 5,000 in population to a maximum size of 35 blocks.
		HB 1457	2.	Adjustments to the zone boundaries may be made more often than the 'five-year, one-time' adjustment that was authorized in the 2001 legislation.
		SB 2259	3.	In addition to investing in zone projects, a RZF may invest in projects in designated zone cities.
		SB 2259	4.	Authorized an additional 2.5 million in tax credits for RZF investments
2005	59	NO CHANGES		
2007	60	HB 1225	1.	The base RZ boundary was increased to 23 blocks
		HB 1225	2.	A provision was included to allow an exception to the "continuous and contiguous" boundary requirement. Each RZ may designate a 'satellite area' which cannot exceed 3 blocks or ½ mile from the primary boundary
2009	61	HB 1428	1.	If a block is completed a city may remove the subject block and designate a replacement block
		HB 1428	1.	The total amount of RZF tax credits was increased by \$2.5M to an aggregate not to exceed \$7.5M.
		SB 2060	1.	The ½ mile requirement for a non-contiguous block (satellite block) was removed
		SB 2060	2.	Public utilities were added as eligible RZ projects.
2011		NO CHANGES		
2013	63	HB 1166	1.	Effective August 1, 2013 a \$500K annual cap was placed on the maximum amount of eligible income that can be exempted by a taxpayer
			2.	Provided clarification on the expansion of a previously approved zone project

Since the RZ boundary's original configuration in 1999 the boundary has been modified five (5) times with the most recent change occurring in 2014 to accommodate potential investments on [former] block 5t. The maps below depict the history of RZ boundary changes in Fargo including the most recent boundary which is referenced as the '2014 Renaissance Zone Boundary'.

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1999 RENAISSANCE ZONE BOUNDARY



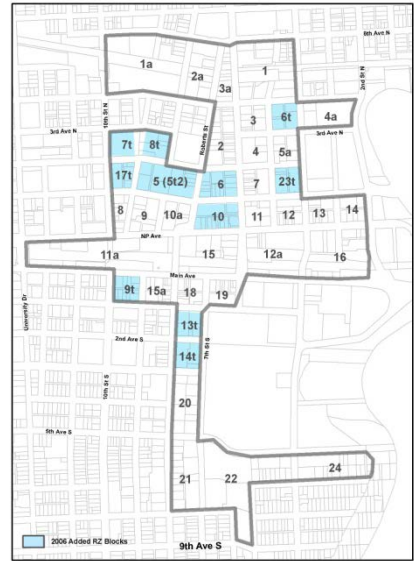
Block 3, 4, 5, 10, 13, 15, 22 and 23 accounted for as 1/2 blocks per 1999 Renaissance Plan  
Total RZ Blocks - 20 / 20

2003 RENAISSANCE ZONE BOUNDARY



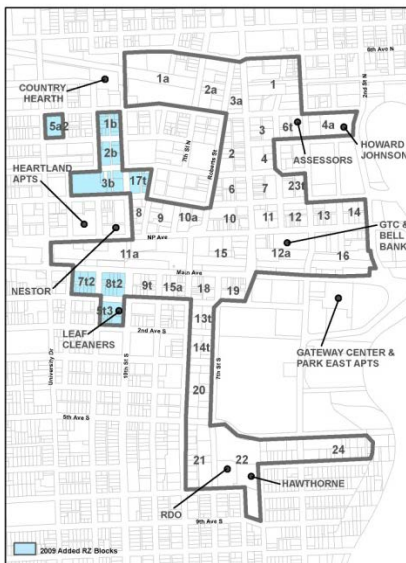
Block 3, 4, 12a, 13, 15, 22 and 23 accounted for as 1/2 blocks  
Total RZ Blocks - 33 / 35

2006 RENAISSANCE ZONE BOUNDARY



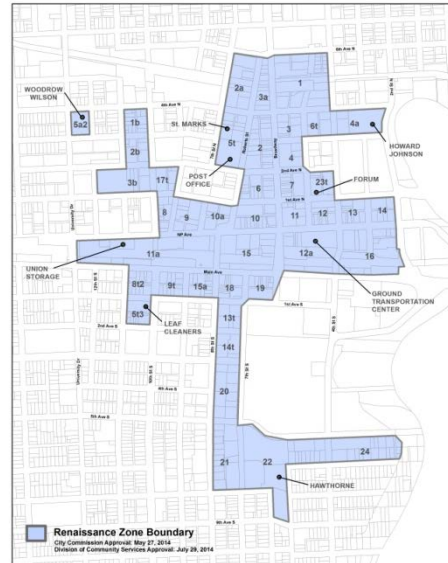
Block 3, 4, 5, 10, 12a, 13, 15, and 22 accounted for as 1/2 blocks  
Total RZ Blocks - 35 / 35

2009 RENAISSANCE ZONE BOUNDARY



Block 3, 4, 10, 12a, 13, 15, and 22 accounted for as 1/2 blocks  
Total RZ Blocks - 39 / 38

2014 RENAISSANCE ZONE BOUNDARY



Block 3, 4, 10, 12a, 13, 15, and 22 accounted for as 1/2 blocks  
Total RZ Blocks - 39 / 38

August 2014

## PROGRAM DATA

Since inception of the program in 1999 (15 year period) the city of Fargo has approved a total of 240 RZ projects which includes new construction, rehabilitation, tenant leases and residential purchases (condominiums).



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**Project Type:** As shown in the exhibit (right), a large percentage of the RZ projects completed to-date have been rehabilitation projects versus new construction. Not including tenant lease and residential purchase projects, new construction and rehab represents a total of 75 projects. In the future, especially given the degree of priority and importance the city has placed on infill development within the city GO2030 Comprehensive Plan; new construction type ‘infill’ projects should start to become more attractive and promoted development opportunities.

Project Type	Total Completed RZ Projects
New Construction	8
Residential Rehabilitation	9
Residential Purchase (Condominiums)	82
Mixed-Use Rehabilitation	26
Commercial Rehabilitation	32
[Tenant] Lease	74
Total	231

**RZ Tax Benefits:** In terms of RZ tax benefits, the 75 projects outlined above have facilitated significant investment in the downtown core; and have contributed to a substantial increase in the assessed value of properties in the downtown core. The graphic below depicts downtown property values (based on the boundary of the 1996 Downtown Area Plan) since 1999. The assessed value in 1999 was approximately \$197,375,000 and in 2014 the value was \$583,458,000 which correlates to an annual property tax increase estimated at \$6.3 million.

## Downtown Property Values



## RZ Property / Project Value Changes

Increased Assessed Valuation – RZ Projects Only	Value of Improvements	Pre-Project Building Value	Assessor’s Valuation
Totals	\$116,000,000	\$22,000,000	\$125,000,000

## Property Tax Generation (Annual Breakdown of Benefit)

Increased Assessed Valuation – RZ Projects Only	Assessment Ratio	Assessment Factor	Mill Levy (2014)	Property Tax Increase
\$125,000,000	0.50	0.1	3.25	\$2.03 million

Increased Assessed Valuation – Downtown Core (1999-2014)	Assessment Ratio	Assessment Factor	Mill Levy (2014)	Property Tax Increase
+/- \$386,082,000	0.50	0.1	3.25	\$6.3 million

As shown in the tables, the increased assessed valuation generated by RZ projects calculates to an approximate [annual] \$2.03 Million increase in property taxes. Over the 15 year history of the program the applicable benefit derived specifically by RZ projects is \$15+ Million.

## GO2030 FARGO COMPREHENSIVE PLAN

In 2012 the city completed a new Comprehensive Plan and as part of this effort the community prioritized forty different “key initiatives”. The promotion of *infill development* was ranked as the second most important initiative by the community behind permanent flood protection. As such, there are a number of critical objectives and guiding principles established within the GO2030 Comprehensive Plan that should align, support and ultimately be used as another tool to further implement RZ goals and objectives:

### Infill Policies / Initiatives

*GO2030 - Neighborhoods, Infill and New Development; Initiative 01: Promote Infill.*  
Develop policies to promote infill and density within areas that are already developed and are protected by a flood resiliency strategy.

*GO2030 - Neighborhoods, Infill and New Development; GUIDING PRINCIPLE:* Fargo will promote attractive and welcoming neighborhoods by promoting a diverse and affordable housing stock. Fargo will support neighborhoods where residents can age in place, children can walk to school and essential services are only a short walk away.

# INTRODUCTION

*GO2030 – Neighborhoods, Infill and New Development; Initiative 03:* To create the Fargo desired by the community in 2030, new development will have to contribute to a building stock that is efficient, durable, connected and attractive. Fargo will promote infill development, planned growth, increased density and vitality in its established neighborhoods.

## PLAN OVERVIEW

As previously noted, the original RZ Plan was completed in 1999 and an update was approved in 2003. This document is intended to replace and supersede both of these previous plans. The outline of this plan continues to follow the general RZ Plan framework set forth in 1999.

As specifically set forth in N.D.C.C. 40-63-01(2)(a-e)) Renaissance Zone “Development Plans” are intended to establish the following:

1. A map depicting the geographic boundary of the RZ;
2. Block by block analysis of structures and target areas;
3. An outline of applicable goals and objectives;
4. A description of the types of projects desired for each target area;
5. To establish promotion and management strategies to maximize investment.

The subsequent sections of the Plan are intended to address the minimum RZ Plan requirements as set forth above.

## ZONE AUTHORITY

The Renaissance Zone Authority (RZA) is assigned with three (3) primary responsibilities:

1. Economic Development;
2. Promote the Renaissance Zone;
3. Administration of the RZ incentives.

The Fargo City Commission appoints the Renaissance Zone Authority to oversee implementation of the RZ Plan and to ensure projects comply with applicable goals and objectives. All RZ decisions that have budgetary implications are reviewed and approved by the City Commission.

The RZA carries out its duties and responsibilities with assistance and collaboration with the following agencies and organizations:

- *Greater Fargo-Moorhead Economic Development Corporation*
- *Downtown Community Partnership (DCP)*
- *City of Fargo – Tax Exempt Review Committee*
- *City of Fargo – Planning & Development Department*

## INCENTIVE OVERVIEW

**Tax Exemptions and Credits:** The Renaissance Zone program includes two (2) primary incentives [property tax and income tax] of which the framework for these incentives is set forth in State statute. The local RZ Plan sets forth the specific requirements and restrictions to be administered by the municipality.

### **Property Tax Exemptions** (administered by the municipality)

**Single Family Residential (N.D.C.C. 40-63-05)** - A municipality may grant a partial or complete exemption from ad valorem taxation on single-family residential property, exclusive of the land on which it is situated, if the property is purchased or rehabilitated by an individual for the individual's primary place of residence as a zone project.

Pursuant to this Plan, single-family residences include single-family attached and detached units, twin-homes, town-homes and condominiums. Applicants must provide verification that the project location will be their primary residence and "legal" residence.

**Business or Investment (N.D.C.C. 40-63-05)** - A municipality may grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures and

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improvements purchased or rehabilitated as a zone project for any business or investment purpose.

All exemptions are determined by the municipality and may be partial or complete. The maximum length of exemption is 5 years from date of investment.

### **Income Tax Exemptions** (administered by the ND Office of the State Tax Commissioner)

**Single Family Residential (N.D.C.C. 40-63-04)** – An individual that purchases or rehabilitates a single family residence (primary residence) is exempt from up to ten thousand dollars (\$10,000) of personal income tax liability for five (5) taxable years beginning with the date of occupancy or completion of the rehabilitation project.

**Business or Investment (N.D.C.C. 40-63-04)** - Any taxpayer that purchases, leases, rehabilitates or makes leasehold improvements to residential, public utility infrastructure or commercial property for any business or investment purpose as a zone project is exempt from any tax on income derived from the business or investment locations within the zone for five taxable years, beginning with the date of purchase, lease or completion of the rehabilitation project.

Effective August 1, 2013 – The amount of income that a taxpayer may exempt on business / investment projects is capped at \$500,000 per year.

Only one income tax exemption is allowed to a zone project property.

Other incentives that are applicable via the Renaissance Zone Program include:

### **Historic Preservation and Renovation Tax Credit**

**(N.D.C.C. 40-63-06)** – A credit against state tax liability of twenty-five percent (25%) of the amount invested is allowed for investments in the historic preservation or renovation of a property. The maximum credit is \$250,000. The credit may be claimed in the year in which the preservation or renovation is completed. Any excess credit may be carried forward for a period of five (5) years.

To be eligible for this tax credit, the project must be one which the North Dakota Historic Society certifies to be:

1. Individually listed on the National Register of Historic Places.



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2. A contributing structure within a National Register Historic District or a certified local or state historic district.
3. Eligible for listing in the National Register of Historic Places.

In addition to the North Dakota *Historic Property Preservation Tax Credit (ND)* projects or properties are eligible for a federal income tax credit (*Historic Rehabilitation Tax Credit*). The federal income tax credit is equal to 20% for certified rehabilitation and certified historic structures (ie. structures that are listed individually in the National Register of Historic Places or that are within a historic district and certified as a contributing structure to the historic significance of that district). For additional information on the federal tax credit program see the following link:

<http://www.nps.gov/tps/tax-incentives.htm>

### Renaissance Zone Fund Organization

**(N.D.C.C. 40-63-07)** – A Renaissance Zone Fund (RZF) organization is an entity established by the local zone authority for the purpose of raising funds for financing zone projects.

A city may establish a RZF by either creating or managing its own fund or contracting with an outside entity to create and manage the city's fund.

A RZF may provide financing to projects undertaken by individuals, partnerships, limited partnerships, limited liability companies, trusts, corporations, nonprofit organizations and public entities. The financing may include a combination of equity investments, loans, guarantees and commitments for financing. The amount of financing per project is not limited.

The amount of the tax credit (state tax liability) is equal to 50% of the amount invested in the RZF during the taxable year. If the credit exceeds the taxpayer's tax liability for the tax year in which the investment is first allowed, the unused credit may be carried forward for up to five (5) tax years.

On a statewide basis, the maximum amount of tax credits allowed for investments made by all taxpayers in all tax years is limited. This statewide maximum is allocated to three categories of cities based on population, as determined by the State.

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A RZF may invest in any residential, commercial or infrastructure project in the zone or in any designated RZ city.

**Tax Incentive Guidelines:** The tax incentives available to taxpayers under the RZ program are administered by the North Dakota Office of State Tax Commissioner. For additional information on the tax incentives visit the following website:

<http://www.nd.gov/tax/genpubs/renaissance.pdf?20141107142052>

## RENAISSANCE ZONE BOUNDARY

RZ property tax and income tax benefits are only available to eligible properties that are located within the defined boundary.

**Boundary Definition:** N.D.C.C. 40-63-03 states that Renaissance Zones shall have a base block total of 23 and those cities with a population greater than 5,000 shall receive one (1) additional block for every 5,000 in population.

Therefore, the city of Fargo has a total RZ block allocation of: **38 Blocks**

When the original RZ Plan was adopted in 1999 the guidelines allowed blocks with public buildings to only count as ½ block. A number of these original “1/2 blocks” have remained in the boundary over the last 15 years. It should be noted that any of these original “1/2 blocks” that remain in the RZ boundary continue to be considered and aggregated as ½ blocks within block calculations.

**Plan Update Process:** To facilitate an update of the 2003 RZ Plan, the RZA undertook a significant effort to analyze various datasets and to consider the future vision for the Renaissance Zone program in Fargo. The RZA began discussing and reviewing information in February of 2014 with the intent that the final document would be completed by December 2014. Outlined below is a quick synopsis of the RZA’s process:

1. Review current zone characteristics and zone progress to-date (including documentation and geocoding completed projects);
2. Review existing Downtown development plans, as applicable;

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3. Document interest and/or potential projects or pending investments in the downtown core;
4. Conduct block-by-block evaluation, inclusive of:
  - a. Analysis of Downtown Mixed Use (DMU) zoning district boundary;
  - b. Analysis of building to land value ratios by parcel;
  - c. Analysis of downtown historic district boundary and individually listed historic properties; and
  - d. Analysis of existing RZ boundaries (1999, 2003, 2006, 2009, 2014)

**Study Area Boundary:** To ensure a comprehensive analysis was completed to determine which blocks held the most redevelopment, rehabilitation and/or investment potential the RZA composed a study area boundary that was generally bounded by 7<sup>th</sup> Avenue N, 14<sup>th</sup> St, 9<sup>th</sup> Avenue S and the Red River.

In addition to the study area limits, the map (right) depicts the extent of the Downtown Mixed Use (DMU) zoning district boundary as well as the boundary for the Downtown Fargo Historic District and the location of individually listed historic properties.

**Declaration of Interest and Completed RZ Projects:** Early in the RZ Plan update process,



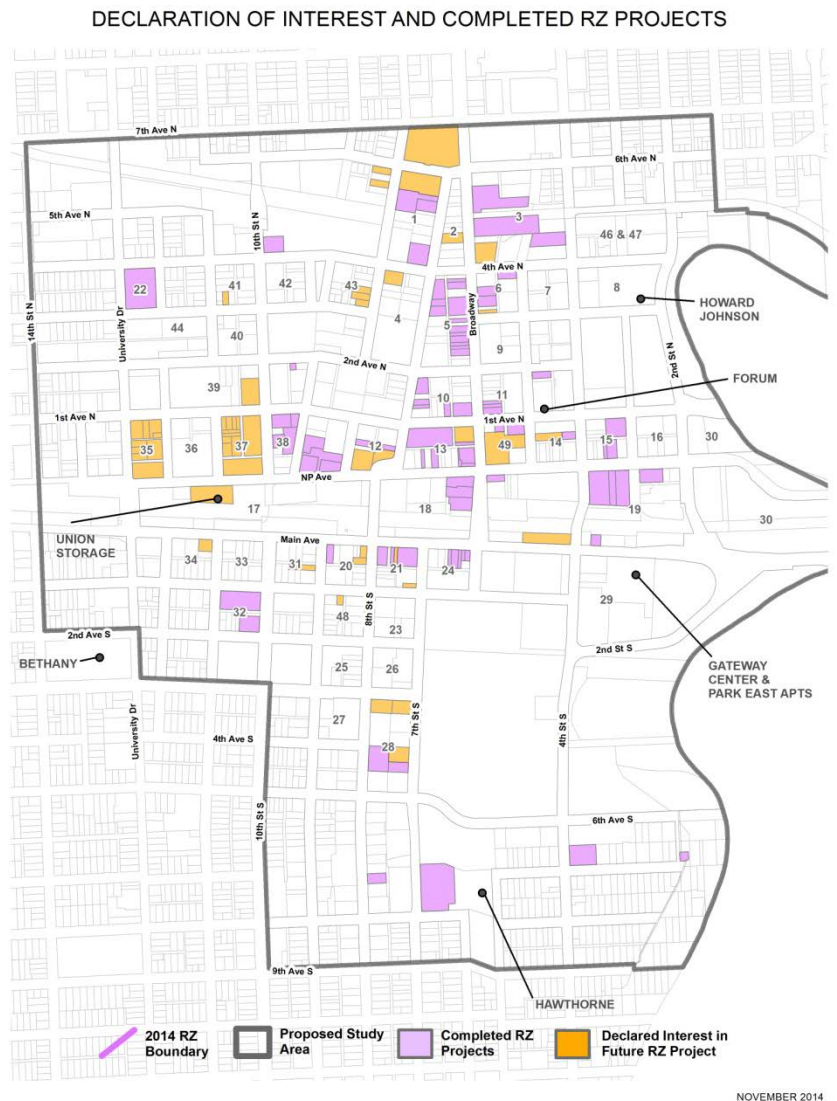
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the RZA issued a letter to property owners within the previous (2014) RZ boundary with the intent to document any interest or potential investments that may be anticipated within a five (5) year horizon. The map (right) outlines the response from this effort. In addition, the map shows the location of completed RZ projects (purple).

## Redevelopment Potential – Building to Land Value by Parcel:

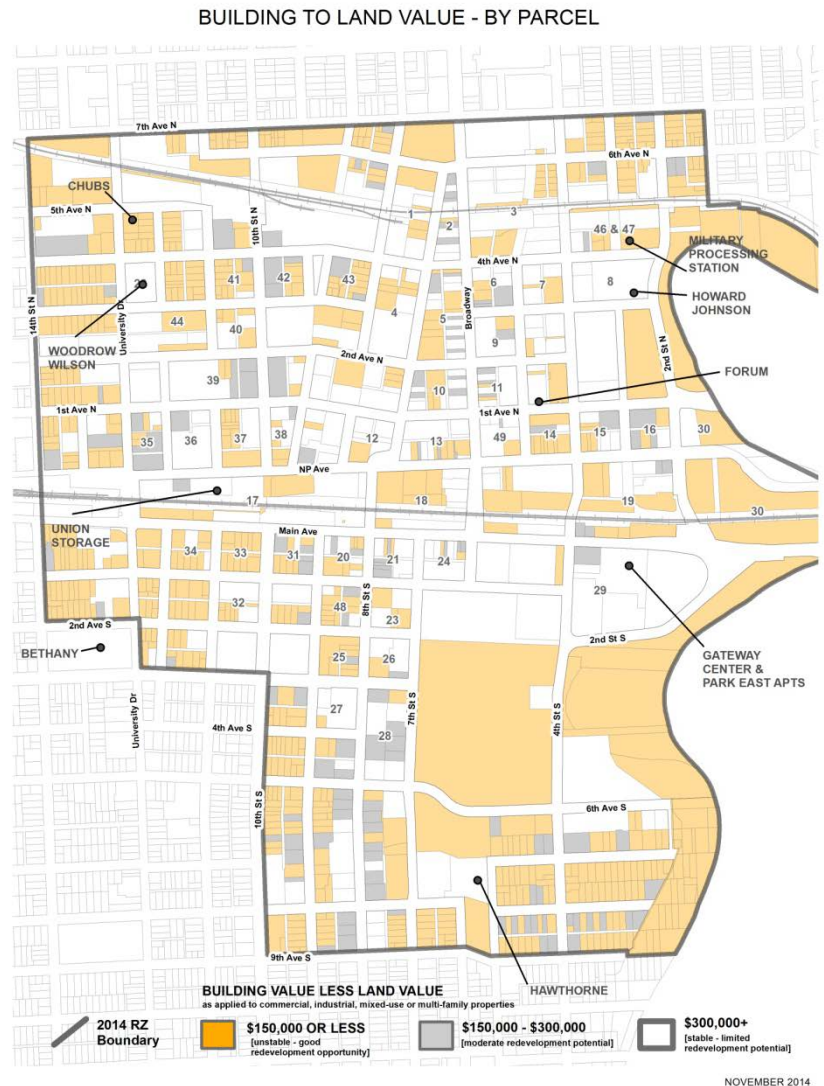
One of the more critical tasks of this RZ Plan update process is to identify and document the ‘target’ blocks that are highest in priority in terms of opportunity for redevelopment, rehabilitation and/or investment. In addition to the maps and datasets above, there are a number of factors that can be analyzed that can assist in determining whether an area or block has potential investment opportunity and/or the probability of a redevelopment project, including: building condition, parcel size, assessed value, encroachments, proximity to parking and building to land value analysis; with the latter being [generally] the most informative and effective. The exhibit (following page) is representative of a simple computation whereby the assessed land value is subtracted from the building value. Generally, if a property has a land value that is equal to or greater than the building value it is considered a strong indicator that the property would be a candidate for redevelopment.

**Summary of Observations:** A quick synopsis of observations:



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- The RZ program has been a very successful, however the analysis shows there is certainly a lot of investment and redevelopment opportunity that remains in the downtown core. The spreadsheet (pg. 22) shows that there is a total of 165 acres within the applicable 49 study area blocks and approximately 68 of those acres are either undeveloped, vacant, surface parking or underutilized in some manner.
- Surface parking lots continue to comprise a large percentage of ‘unstable’ properties or parcels that offer opportunities for significant redevelopment / investment.



- The RZ program has seen very little use south of 1<sup>st</sup> Ave S. A majority of these blocks have been included in the program since 2003 or 2006.
- Note that the Building to Land Value analysis should only be considered applicable to commercial, industrial, mixed-use or multi-family properties. Although some single-family properties are included within the overarching study area boundary it would not be appropriate to use the same numbers in terms of determining ‘stable’ v ‘non-stable’.
- The thresholds used could certainly be adjusted. The 300k figure is representative of a property in the downtown core that has not been approved as a Renaissance Zone project and is generally in a state of good repair.



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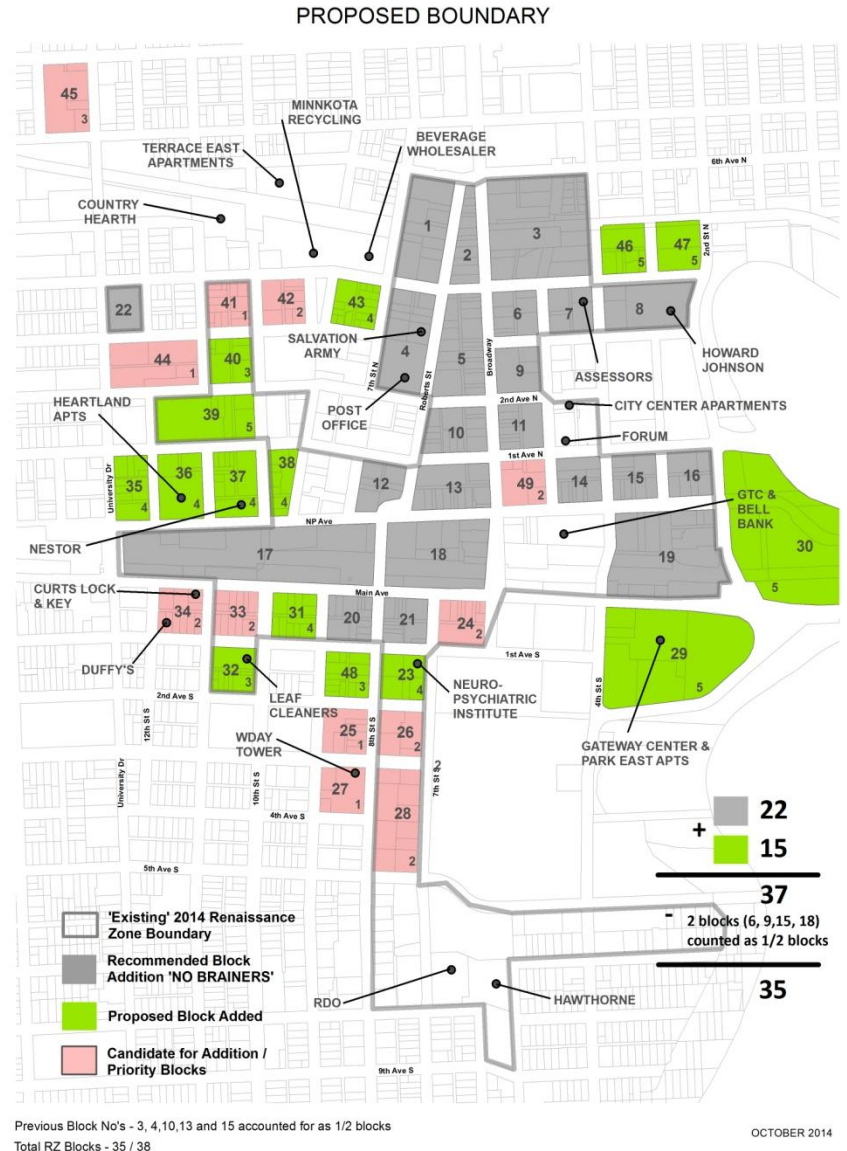
## 2015 RZ Boundary

**Development:** The RZA spent multiple meetings discussing the merits of various blocks and ultimately completed a tour of blocks that needed to be more closely reviewed. From the study area boundary, the RZA narrowed the list of candidate blocks to 49 blocks that were analyzed in detail. The RZA contemplated a number of RZ boundary scenarios and some of the RZ boundary development process is portrayed in the exhibit (right).

**Block Total Calculation –** The city is allocated a total of 38 blocks pursuant to the RZ statute. The RZA has expressed a desire to retain an inventory of three (3) blocks to allow the city to be more flexible and to be able to accommodate potential projects in a more timely manner. To note, the ND Renaissance Zone Program Guidelines do allow for a municipality to apply for a RZ boundary that is less than the number of eligible blocks and to request expansion / addition of the remaining blocks at a future date.

**‘No Brainer’ Blocks –** As indicated on the map (above) there were twenty-two (22) blocks classified as ‘No Brainers’. These blocks are shown in gray and are “core” blocks that hold significant opportunity for investment, rehabilitation and/or redevelopment.

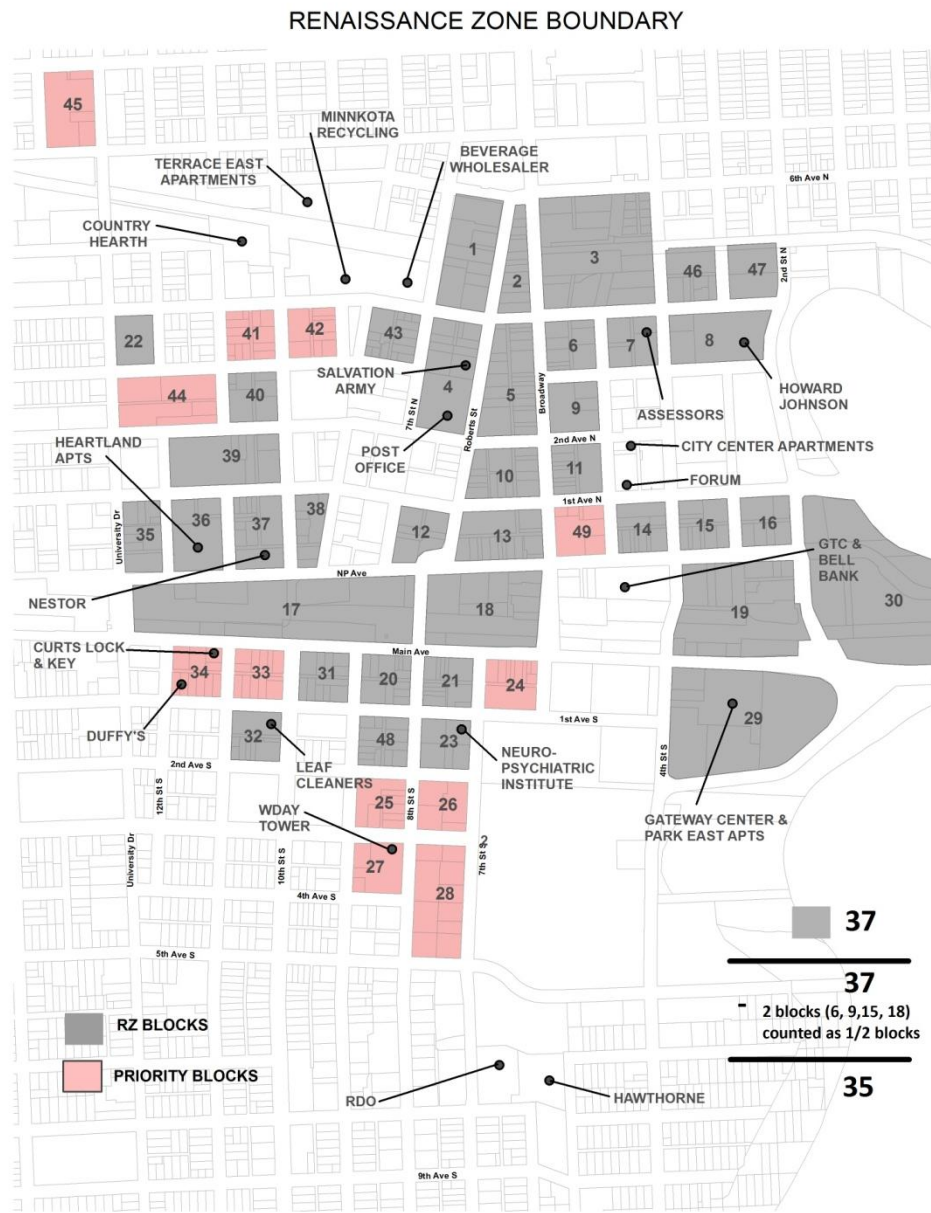
**Proposed Block Additions –** There are fifteen (15) blocks identified as ‘Proposed Block Additions’. These blocks are shown in green. These blocks were identified as the highest priority blocks based on projected investment and redevelopment opportunities.



# RENAISSANCE ZONE

**Candidate or Priority Blocks** – There are twelve (12) blocks classified as ‘Candidates for Addition or Priority Blocks’. These blocks are shown in red. These blocks would be viewed as areas where the RZA would support use of one of the three (3) blocks that have been retained in inventory; should an RZ appropriate project materialize.

**Proposed Block and Candidate Block Rankings** – Note that each of the green (Proposed) and red (Candidate/Priority) blocks have a number in the lower right-hand corner. This is the ranking that each block received on a 1-5 scale (5 highest) in regards to potential for investment, rehabilitation or redevelopment.



Previous Block No's - 3, 4, 10, 13 and 15 accounted for as 1/2 blocks  
 Total RZ Blocks - 35 / 38

NOVEMBER 2014

## BLOCK DATA AND PROJECTED DEVELOPMENT STRATEGY

The following spreadsheet was developed to provide insight into the existing characteristics of each of the 49 blocks. The data includes acreage totals, valuations totals, valuation per acre calculations, existing buildings of significance and/or reference, existing land uses, zoning district applicability and the desired land use or primary development strategy.

**Development Strategy Applicability:** This table should be used and applied as ‘guidelines’ versus regulatory. The intent of the primary development strategy is to encourage and ensure strong urban design principles are considered and implemented with rehabilitation, redevelopment and new construction projects. Each submitted RZ application shall be reviewed against these general guidelines for consistency. See RZ vision and goals (following chapter) for additional information.

[see spreadsheets]

RENAISSANCE ZONE

Block #	Previous Block #	Block Status	Acreage	Approximate Acreage Undeveloped / Vacant	Block - Building Value	Block - Land Value	Total Value per Acre	Existing Buildings / Land Use	Desired Land Use and Primary Development Strategy	½ Block	Zoning District
1	2a	RZ	4.67	1.48 ac. / 32%	8,376,200	774,000	\$1,959,357	The Marks Apartments, Forum Distribution Center, Johnson Building, 506 Roberts St (John Morrell Co. Bldg)	<u>N ½</u> - Redevelopment of (surface parking) commercial or residential <u>S ½</u> - Primarily built-out other than two small surface parking lots and possible rehabilitation, renovation or new construction of the property at 669 4th Ave N		DMU
2	3a	RZ	2	0.44 ac. / 22%	2,910,100	517,000	\$1,713,550	*Powers Hotel (400 Broadway), Lowman Block, Empire, Aggie Block, Bismarck Tavern	Mixed Use - Ground floor retail/commercial with upper level housing		DMU
3	1	RZ	8.59	1.35 ac. / 16%	5,726,700	1,377,800	\$827,066	Bison Hotel, Goodyear, Great Northern Bicycle Company, Ford Building, Amtrak, American Federal Bank and a few Single Family Detached Homes	<u>N ¼</u> and <u>NE Corner</u> - Clearance and redevelopment <u>S ¼</u> and <u>SW Corner</u> (Broadway) and <u>SE Corner</u> - Clearance and Redevelopment, re-establish corners with multiple stories in height and ground level retail/commercial activity on 4th Avenue Possible vacate all or portion of the 5th St right-of-way		DMU
4	5t	RZ	4.61	1.14 ac. / 25%	20,269,100	992,100	\$4,611,973	St. Marks Lutheran Church, United States Post Office, Salvation Army, Ivers Apartments	N ½ - Redevelopment for Housing (excluding Ivers Apartment Building) S ½ - Preservation (Federal Building)		DMU
5	2	RZ	4.34	1.57 ac. / 36%	10,841,000	1,307,000	\$2,799,078	Loretta Building, Johnson Block, 300 Broadway, McKone Building (206 Broadway), *Fargo Theatre	N ½ - Redevelopment for Housing (excluding Ivers Apartment Building) S ½ - Preservation (Federal Building)		DMU
6	3	RZ	1.92	0.21 ac. / 11%	5,605,100	483,000	\$3,170,885	Derecci Block (Fargoan), Sons of Nowary Lodge (309 Broadway), Dixon Block, American Legion	W½ - Mixed use, ground floor retail/commercial with upper level residential E½ - Potential redevelopment opportunities; establish SE corner with multiple stories in height with upper level residential	½ Block	DMU
7	6t	RZ	1.92	0.50 ac. / 26%	4,562,900	1,758,000	\$3,292,135	Sanford Annex (415 3rd Ave N), Fargo Public Health, 404 4th Ave N (City Assessor)	<u>W½</u> and <u>NW corner</u> - Potential clearance and redevelopment, Mixed-Use or Housing <u>E½</u> - Clearance and redevelopment in SE corner - multiple stories with ground level retail/commercial on 3rd Avenue; redevelopment of surface parking		DMU
8	4a	RZ	4.03	1.65 ac. / 41%	4,379,500	748,000	\$1,272,332	Howard Johnson Motel, Pontoppidan Lutheran Church	<u>W½</u> and <u>NW Corner</u> - Clearance and redevelopment <u>E½</u> - Clearance and redevelopment with emphasis on ground level interaction with adjacent street right-of-way (ie. limited or zero setbacks on 3rd Avenue, 4th Avenue and 2nd Street)		DMU
9	4	RZ	2.06	1.54 ac. / 75%	3,209,000	370,000	\$1,737,378	US Bank	Clearance and redevelopment - Mixed-use with ground level interaction with adjacent street ROW	½ Block	DMU
10	6	RZ	2.64	0.80 ac. / 30%	8,007,900	1,124,000	\$3,459,053	Black Building, Merchants National Bank (122 Broadway), Straus Building (102 Broadway), Stone Building (Avalon), Pioneer Life Insurance Building, Graver Inn Apartments	Preservation and Rehabilitation; and redevelopment of surface parking lots		DMU
11	7	RZ	1.92	0.60 ac. / 31%	12,399,400	924,000	\$6,939,270	Hancock Building (109 Broadway), Odd Fellows Hall / Hotel Donaldson	Preservation and Rehabilitation; redevelopment of surface parking and specifically the SE corner at the 1st Ave N/5th Street N intersection		DMU
12	10a	RZ	1.81	0.85 ac. / 48%	8,629,200	791,000	\$5,204,530	Serkland Law Firm, BillMeyer Apartments, The Gardner,	<u>NW Corner</u> - Infill/redevelopment <u>S½</u> - Clearance and redevelopment		DMU
13	10	RZ	3.22	0.81 ac. / 25%	8,667,000	1,273,000	\$3,086,956	Cityscapes, Syndicate Block (64-74 Broadway), Elliott Hotel Annex (606 1st Ave)	Redevelopment of surface parking lots Preservation and rehabilitation of historic or contributing structures		DMU
14	12	RZ	1.92	1.38 ac. / 72%	1,003,600	673000	\$873,229	Loudon Building (64 4th St), Ball Building (65 5th St)	Clearance and redevelopment (excluding Loudon Building) - Mixed-use with ground level retail/commercial with upper level housing		DMU
15	13	RZ	1.92	0.74 ac. / 39%	8,805,900	504,000	\$5,115,329	*Pence Automobile Co. Warehouse (301 NP Ave), United Automotive,	Redevelopment of surface parking lots; re-establish SW corner with multiple stories in height and ground level retail/commercial activity on NP and 4th St	½ Block	DMU
16	14	RZ	1.92	.63 ac. / 33%	1,815,400	336,000	\$1,120,520	Petro Serve, National Muffler	<u>N½</u> - Clearance and redevelopment <u>S½</u> - Clearance and redevelopment		DMU
17	11a	RZ	16.53	4.95 ac. / 30%	6,741,300	1,434,000	\$494,573	*Union Storage, Swift & Company Building (10 8th St), BNSF Railway, McDonalds, Diamond Vogel Paints	<u>N½</u> - Clearance, redevelopment and preservation - preservation of Union Storage/Armour Creamery buildings and Union Storage warehouse buildings in NE corner of the block. Remainder of the block identified as clearance or redevelopment. Mixed-use and/or housing with zero or limited setbacks on NP Ave; and commercial or mixed-use on Main Ave with any surface parking located on the rear (preference) or side yard		DMU

RENAISSANCE ZONE

Block #	Previous Block #	Block Status	Acreage	Approximate Acreage Undeveloped / Vacant	Block - Building Value	Block - Land Value	Total Value per Acre	Existing Buildings / Land Use	Desired Land Use and Primary Development Strategy	½ Block	Zoning District
18	15	RZ	5.35	2.55 ac. / 58%	4,649,600	1,481,000	\$1,145,906	Renaissance Hall, Old Broadway, Herbst Building (CI Sport), *Northern Pacific Railroad Depot	<u>N½</u> - Redevelopment of surface parking lot, mixed-use with ground level retail/commercial on NP Avenue <u>S½</u> - Redevelopment of surface parking lots	½ Block	DMU
19	16	RZ	6.62	2.74 ac. / 41%	7,388,100	938,300	\$1,257,764	Minneapolis Moline Building (Vogel Law), Advance Rumely Thresher Co. (300 NP Ave), AmeriPride,	<u>N½</u> - Redevelopment/infill on properties in NE and NW corners as well as surface parking lots <u>S½</u> - Redevelopment and Rehab to mixed-use (commercial, retail, housing). The SE corner should be a 'gateway' structure and should include ground floor retail and significant interaction with Main Avenue and 2nd St		DMU
20	15a	RZ	1.92	0.78 ac. / 41%	2,736,000	440,000	\$1,654,166	*Masonic Block (9 8th St S), Watkins Block (806 Main Ave), *F.O. Knerr Block (Nichole's), Floyd block (15 8th St S), *McHench Block (17-19 8th St S) and *Webster/Cole Building (21 8th St S)	Preservation. Opportunities for increased housing on upper floors of existing buildings. Redevelopment of surface parking lots could accommodate ground floor retail/commercial on 1st Ave S and housing or office on the remainder.		DMU
21	18	RZ	1.89	0.65 ac. / 34%	3,990,700	541,000	\$2,397,724	Kennelly Okeefe (720 Main Ave), The Shields Block (714 Main Ave), Luger Furniture Store (716 Main Ave), LJA (700 Main Ave), Landmark Building (15 7th St S)	Preservation of contributing structures and redevelopment and infill to include: 718 Main Ave, surface parking lots and SW corner. Establish SW corner with mixed-use, multiple stories and ground level retail/commercial on both 7th Street and 1st Ave		DMU
22	5a2	RZ	1.58	0.91 ac. / 58%	1,156,800	311,000	\$928,987	Woodrow Wilson	Preservation and Rehabilitation		DMU
23	13t	RZ	2.06	1.25 ac. / 61%	4,295,900	360000	\$2,260,145	Sanford Neuropsychiatric Institute	NW and SE Corner - Redevelopment and infill of surface parking lots; ground floor retail/commercial on 1st Ave and 8th Street		DMU
24	19	Candidate	2.01	0.25 ac. / 12%	5,150,600	461,000	\$2,791,840	*deLendrecies Building (620 Main Ave), Wimmers Jewelry	Preservation and Rehabilitation - A number of the structures abutting Main Avenue have utilized the RZ benefits. Retail/Commercial ground level with housing on upper stories		DMU
25	-	Candidate	2.01	1.28 ac. / 64%	744,000	290,000	\$514,427	Cass County Courthouse Parking, Neighborhood Commercial (NC) within existing single family residences	Redevelopment and Infill, mixed-use or housing		NO & MR3
26	14t	Candidate	2.06	0.65 ac. / 32%	3,753,400	248,800	\$1,942,815	Park Ridge Apartments (200 8th St S), Residential Condominiums (220 8th St S), United Way, Runsvold Funeral Home	<u>W½</u> - Rehabilitation <u>E½</u> - Clearance and re-development, specifically the NE and SE corners - establish corners with mixed-use or housing		E½ - GC & LC; W½ - MR3
27	-	Candidate	2.11	1.05 ac. / 49%	1,760,500	276,000	\$965,165	WDAY Tower, Apartments (304 9th St S)	<u>S½</u> and surface parking lots - Infill		LC & MR3
28	20	Candidate	4.75	1.0 ac. / 21%	6,011,300	537,800	\$1,378,757	Park Terrace Apartments (315 7th St S and 420-422 8th St S), Islander Apartments (415 7th St S) - Primarily Residential Apartments and Condominiums	<u>E½</u> - Clearance and redevelopment; mixed use or housing		E½ - GC; W½ - MR3
29	-	RZ	13.03	5.85 ac. / 45%	17,717,700	2,584,000	\$1,558,073	Gateway Center Plaza (300 Main Avenue), Park East Apartments, Fargo High Rise, Professional Building (100 4th St S), Cenex (330 Main Ave)	<u>N½ (including Park East Apartments)</u> - Redevelopment with mixed-use and ground level interaction on Main Avenue and the intersections of 2nd St/Main Ave and 4th St/Main Ave. Note that the 2007 Downtown Framework Plan highlights the importance of this block in terms of improving synergy and extending the success of downtown onto Main Avenue. The Plan also states this block should be developed as a 'gateway' between the Fargo and Moorhead downtown areas with a focus on mixed-use, walkability, economic vitality and connectivity (greenway, streetscape, etc.). <u>S½</u> - Infill opportunities of surface parking lots and specific focus on establishing a multi-story structure on the corner of 2nd St/4th St. Note proximity to a public parking ramp on 1st Avenue		DMU
30	17	RZ	10.46	9.75 ac. / 93%	302,500	112,000	\$39,627	Mid America Steel / Fargo Foundry Steel & Manufacturing, Case Plaza	Clearance and Redevelopment - Mixed-use or housing; establish multi-story structure on the corner of 2nd St/NP Ave. Note that a portion of this acreage is within the 100 year floodplain		DMU



RENAISSANCE ZONE

Block #	Previous Block #	Block Status	Acreage	Approximate Acreage Undeveloped / Vacant	Block - Building Value	Block - Land Value	Total Value per Acre	Existing Buildings / Land Use	Desired Land Use and Primary Development Strategy	1/2 Block	Zoning District
31	9t	RZ	1.92	0.61 ac. / 32%	2,042,100	364,000	\$1,253,177	A-1 Radiator (1 9th St S), Fargo Firehouse No. 2 (916 Main Ave), Christian Science Church (23 9th St S), Apartments (917 1st Ave S)	NE and NW Corners - Clearance and Redevelopment S1/2 - Clearance and Redevelopment, housing		DMU
32	5t3	RZ	1.92	0.61 / 32%	2,578,100	252,000	\$1,474,010	Leaf Cleaners/McGovern SF Residence (1002 1st Ave S), Boulger Funeral Home (123 10th St S)	NW Corner and SW Corners - Clearance and Infill with commercial or mixed-use on N1/2 and higher density housing on S1/2		GC & MR3
33	8t2	Candidate	1.92	0.86 ac. / 42%	1,030,200	279,100	\$681,927	Vacant and underutilized commercial acreage on N1/2 and low density residential on S1/2	Clearance and Redevelopment - Single family or low density residential is not a desired use in this block		DMU
34	7t2	Candidate	1.92	1.07 ac. / 56%	1,491,000	347,000	\$957,291	Curts Lock & Key (1102 Main Ave), Duffy's (16 12th St S) - Commercial Properties	N1/2 - Clearance and Redevelopment, commercial or mixed-use S1/2 - Redevelopment or Infill, housing or mixed-use		DMU
35	8a	RZ	2.15	1.03 ac. / 47%	2,094,100	624,200	\$1,264,325	Mathison's Express Printing (1213 NP Ave), United Refrigeration (12 12th St N) - Office & Commercial Uses	Clearance and Redevelopment - Mixed-use, commercial / retail / office; ground floor commercial or retail and emphasis on interaction with NP Ave and University Dr right-of-way		DMU
36	9a	RZ	2.88	1.34 ac. / 46%	3,836,400	556,000	\$1,525,138	Heartland Apartments, Urban Crossing Apartments (1102 1st Ave N)	Clearance and redevelopment (excluding Urban Crossing Apartments) - Mixed-use, commercial/retail and/or housing		DMU
37	-	RZ	2.69	1.39 ac. / 52%	1,560,100	515,100	\$771,449	Nestor (1001 NP Ave), Park Company Realtors - W1/2 Single-Family Residential	Clearance and redevelopment - Mixed-use or commercial/retail with ground floor interaction on 10th St and NP Ave; housing on upper floors or W1/2 of the block. Definition of block corners shall be critical on this block		DMU
38	8	RZ	1.6	0.50 ac. / 31%	1,110,500	386,800	\$935,812	Jiffy Lube, Park Company Mortgage, Foss Architecture/Interiors, World Vets Headquarters, Warehouse Apartments	S1/2 - Clearance, infill and redevelopment; emphasis on defining the block corner on NP Ave and 10th St. Mixed-use, commercial or housing Remainder - Preservation and rehabilitation.		DMU
39	3b	RZ	4.49	3.19 ac. / 71%	5,700,000	915,000	\$1,473,273	ND Farm Bureau / Nodak Mutual, Taco Bell, Pierce Co., surface parking	E1/2 - Redevelopment, mixed-use or commercial with definition of block corners and ground floor interaction with adjacent right-of-way (primarily 1st Ave and 10th St)		DMU
40	2b	RZ	1.87	0.88 ac. / 47%	2,420,500	420,200	\$1,519,090	NDSU Development Foundation - surface parking, United Savings Credit Union, Pioneer Manor Fargo Housing Authority, Western Fuel Oil (224 10th St N)	E1/2 - Clearance and redevelopment; mixed use or housing with definition of block corners and ground floor interaction with adjacent right-of-way (most importantly 10th St) NW Corner - Clearance and redevelopment; housing		DMU
41	1b	Candidate	1.87	0.48 ac. / 27%	1,516,400	272,500	\$956,631	Helenske Design Group (304 10th St N), Credit Union, Taco Johns - W1/2 of the block is mostly single-family residential or duplexes	E1/2 - Clearance and redevelopment; mixed use or commercial with definition of block corners and ground floor interaction with adjacent right-of-way (most importantly 10th St) W1/2 - Clearance and redevelopment; mixed-use or housing		DMU
42	-	Candidate	1.87	1.25 ac. / 67%	1,253,400	574,000	\$977,219	Stop-N-Go/Casey's General Store, Northern and surface parking (Elim/Northern)	W1/2 - Clearance and redevelopment; mixed use or commercial with definition of block corners and ground floor interaction with adjacent right-of-way (most importantly 10th St) E1/2 - Infill, mixed-use or housing		DMU
43	-	RZ	1.92	.45 ac. / 24%	1,306,500	154,500	\$760,937	Rape & Abuse Crisis Center (720 4th Ave N) and single-family, duplex or apartments on the remainder of the block	E1/2 - Clearance and redevelopment (preservation of SE corner); mixed use or housing W1/2 - Clearance and redevelopment; mixed-use or housing		DMU
44	-	Candidate	3.92	1.50 ac./ 38%	4,071,100	544,500	\$1,177,448	Twin Towers Condominiums (1110 3rd Ave N), Freighthouse Flats Apartments, University Dr Manor Apartments (1201 2nd Ave N)	W1/2 - Infill, commercial or mixed-use adjacent to University Drive Remainder - Rehabilitation		DMU
45	-	Candidate	3.15	2.0 ac. / 63%	1,254,200	429,000	\$534,349	SunMart, Bjornson's and strip commercial/retail	Clearance, Redevelopment and Infill - mixed-use, commercial, retail, housing		GC / LC
46	-	RZ	1.85	0.75 ac. / 41%	3,326,900	244,000	\$1,930,216	Fargo School District, Fargo Housing Authority (409 4th St N), Automated Maintenance Services (410 3rd St N) - and surface parking lots	N1/2 - Preservation / Rehabilitation SW Corner - Rehabilitation SE Corner - Clearance and redevelopment, mixed-use or housing		DMU

Block #	Previous Block #	Block Status	Acreage	Approximate Acreage Undeveloped / Vacant	Block - Building Value	Block - Land Value	Total Value per Acre	Existing Buildings / Land Use	Desired Land Use and Primary Development Strategy	½ Block	Zoning District
47	-	RZ	2.05	0.63 ac. / 31%	1,995,900	246,000	\$1,093,609	Fargo School District Warehouse (419 3rd St N), Military Processing Center (225 4th Ave N) and Commercial/Retail Building (203 4th Ave N)	Clearance and redevelopment; mixed-use or housing with definition of block corner at 2nd Street and 4th Avenue		DMU
48	-	RZ	1.92	0.24 ac. / 13%	2,193,500	246,500	\$1,270,833	Blenheim/Stratford/Marlborough Apartments (801-807 2nd Ave S), Wellington Apartments (102 9th St S), FM Title (101 8th St S)	NE Corner - Clearance and redevelopment; mixed-use, office or housing SW Corner - Clearance and redevelopment; mixed use or housing		DMU & MR3
49	11	Candidate	2.06	0.76 ac. / 37%	12,058,800	1,018,000	\$6,347,961	Dakota Building (51 Broadway), Royal Jewelers (69, Broadway), Red River Women's Clinic, Gibb Building (502 1st Ave N)	E½ - Infill and redevelopment; mixed-use with housing on upper floors W½ - Preservation and rehabilitation		DMU

\* Assessed valuations based on 2014 Assessor's Data

### VISION and GOALS

As set forth in N.D.C.C 40-63-01(2) the Renaissance Zone Development Plan is required to establish a series of goals and objectives under which the RZ Plan shall be administrated and under which RZ applications shall be reviewed.

**Vision:** The RZ Plan vision, as defined by the Renaissance Zone Authority is as follows:

*“Downtown Fargo’s Renaissance Zone is an economically vital , culturally rich mixed-use district where there are well-designed public and private spaces for residents, visitors, employees, and employers and where an appreciation for the district’s historic character and natural amenities is paramount.”*

**Economic Vitality:** Provide an environment that will both strengthen current businesses and attract new commercial enterprises in order to build a sound economic base that is marked by sustainability and diversity.

**Housing Diversity:** Encourages sustainability in the downtown residential market by promoting the development of upscale, market-rate rental and owner-occupied housing options, enhancing the sense of community and neighborhood in the downtown area, and in general, increasing the area’s attractiveness as a place to live, work and play.

**Vibrant City Center:** Make downtown Fargo a desirable destination by creating a physical environment that is aesthetically pleasing and sensitive to the historic significance of the area, while also encouraging programs, activities and investments that will draw visitors and residents downtown. Vibrancy shall be viewed as conterminous with high density and activity generating uses as well as maxim use of a property and strong urban design principles.

**Goals:** Consistent with the 1999 and 2003 RZ Plans, the 2014 RZ Plan continues to focus on **renewal, investment and redevelopment**. The goals outlined below are the items that the RZA envisions are necessary in order to produce a downtown environment that is consistent with the tenets of the vision statement. Further, the goals shall be utilized as an element of the criteria that submitted RZ applications are reviewed against for compliance.

1. **Activity Generators.** Develop and encourage activity generating enterprises and uses along the Renaissance Zone’s major commercial corridors. This includes Broadway, Roberts St, NP Avenue and 1<sup>st</sup> Avenue as well as other critical high visibility corridors such as Main Avenue, 10<sup>th</sup> Street, University Drive and 2<sup>nd</sup> Avenue.

2. **Walkable Districts.** Create “walkable districts” that integrate a wide range of activities and land uses, including cultural attractions; thus encouraging on-street activity and interaction while discouraging unnecessary auto traffic, parking problems and congestion.
3. **Ground Floor Uses.** Reserve ground floor land uses to those that will encourage streets to come to life – retail, , high turn-over commercial, cafes, restaurants and other “public” facilities. Residential uses on the ground floor should not be considered a priority on critical commercial corridors in the downtown core.
4. **Neighborhood Center.** Make “Broadway” Fargo’s “Main Street” – a pedestrian-friendly, mixed-use magnet that anchors downtown neighborhoods.
5. **Urban Design.** Projects will embody strong urban design principles inclusive of building massing and form (differentiation of the ground level through articulated entries and windows, canopies, arcades, recessed entries, material changes, etc.), building materials, pedestrian orientated design, streetscape, building orientation and recognition of the importance of defined block corners, architectural style, high building coverage percentages, limited setbacks or downtown district appropriate setbacks, design longevity and street level transparency.
6. **Transportation.** Manage downtown transportation, accessibility and parking issues in a manner that will allow for further commercial development and will make the entire area more user-friendly.
7. **Safe Streets – Safe Neighborhoods.** Encourage safe streets and safe neighborhoods by relying on and utilizing the “natural surveillance” of lively and active streets.
8. **High Quality Housing.** Continue to encourage the production of unique high quality housing that is developed in areas targeted for residential development or as a component of a mixed-use project.
9. **Infill.** Encourage and actively pursue projects that increase the productivity of underutilized property such as surface parking lots, vacant land and parcels with low building to land value ratios. Infill projects shall conform and be consistent with urban design principles as set forth in Goal 5, above..
10. **Housing Amenities.** Integrate quality housing with public open space and neighborhood amenities, requiring the enhancement of existing amenities in conjunction with the creation of new ones.
11. **Downtown Entryways.** Enhance auto entry experiences with landscaping improvements to all major corridors (Broadway, Roberts St, 1<sup>st</sup>/NP Avenue, Main Avenue) and gateway statements at Broadway/Main Avenue, Broadway/6<sup>th</sup> Ave N, 1<sup>st</sup> Avenue/Red River, Main Avenue/Red River and Main Ave/10<sup>th</sup> Street N.

## VISION / GOALS

12. **The Place to Be.** Make downtown the entertainment/cultural/recreational center of the city: “If you are looking for something to do – downtown is the place to be.” Make downtown a key destination for visitors/conventioneers and a key destination for residents.
13. **A Place Like No Other.** Highlight the unique historic character of the Renaissance Zone by placing a high value on historic preservation and overall awareness of the history of the area.
14. **24 Hours a day – 7 Days per Week – 365 Days a Year.** Design spaces, facilities and features that will attract people to the area both day and night, on weekdays and weekends, and during all seasons of the year.
15. **Connections and Coordination.** Coordinate public and private efforts to ensure that projects enhance, rather than detract from the connectivity of the area. Strong connections between people, places and things to do are vital to creating a strong sense of community.

# DEVELOPMENT OBJECTIVES

## DEVELOPMENT OBJECTIVES

### **High Priority Land Uses** – Redevelopment or rehabilitation projects:

- Primary Sector Business / Industry
- Active Commercial, Specialty Retail and/or Destination Commercial
- Mixed-Use Development (combination of housing, commercial and/or retail uses in a horizontal or vertical manner)

\* Note: Storage, warehousing, adult entertainment facilities or single room apartments is not considered consistent with the intent of this RZ Plan

### **Targeted Areas** – Redevelopment or rehabilitation projects in targeted areas:

- Parcels or properties that have been vacant or underutilized for an extended period of time
- Properties specifically targeted for clearance (see spreadsheet)

\* Note: Property owned by the railroad will not be eligible to receive incentives unless ownership is transferred from the railroad to a private entity

### **Public Space / Connections** –

- Inclusion of “civic” or “public” space
- Improved pedestrian connectivity or street level activation
- Attention to streetscape amenities

### **Investment** –

- Amount of capital investment in a project (see minimum investment thresholds for additional information)

### **Relocation** – Movement of commercial businesses

- Commercial tenants that are re-locating within the Downtown Area Plan are not eligible for tax incentives without special approval from the RZA

## DEVELOPMENT OBJECTIVES

- Commercial tenants that are relocating from a North Dakota community (other than Fargo) to the Fargo Renaissance Zone are not eligible for tax incentives without special approval from the RZA

### **Historic Preservation** – Appropriate design / improvements

- For structures with architectural or historical significance, regardless of whether the structure is within a historic district or has been specifically identified as a contributing structure; the review process shall consider the project in terms of whether it will appropriately preserve, rehabilitate and/or renovate the structure.

# REVIEW CRITERIA & INVESTMENT MINIMUMS

## PROJECT REVIEW CRITERIA

**Review Criteria:** The following criteria shall be used to review RZ applications.

### **Rehabilitation Projects** (inclusive of residential, commercial or mixed-use)

1. Is the use consistent with the RZ Plan (vision and goals)?
2. Will exterior rehabilitation or the proposed improvements be sufficient to eliminate any and all deteriorated conditions that are visible on the exterior of the building?  
Does the project scope address the interior and exterior of the building in a comprehensive manner?
3. Does the investment comply with the minimum State standard that requires an investment of no less than 50% of the current and true valuation of the building?
4. Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan? [note that for mixed-use projects the total square footage should be dissected into commercial and residential totals for comparison to minimum investment thresholds]
5. The rehabilitation project or proposed improvements are representative of “High Priority Land Uses” as defined by this RZ Plan (see pg. 27)?
6. The investment is located in a “Targeted Area” as defined by this RZ Plan (see pg. 26)? Consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance (see spreadsheet).
7. The rehabilitation project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation?
8. Consideration and analysis as to the total actual investment in the project?
9. Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community?
10. Is the project located within a historic district and will the project facilitate the preservation of any remaining historic integrity, if appropriate?

### **New Construction Projects** (inclusive of residential, commercial or mixed-use)

1. Is the use consistent with the RZ Plan (vision and goals)?
2. Does the investment comply with minimum investment thresholds (locally determined) for residential and commercial projects as set forth in this RZ Plan? [note that for mixed-use projects the total square footage should be dissected into commercial and residential totals for comparison to minimum investment thresholds]



## REVIEW CRITERIA & INVESTMENT MINIMUMS

3. The new construction or proposed improvements are representative of “High Priority Land Uses” as defined by this RZ Plan (see pg. 27)?
4. The investment is located in a “Targeted Area” as defined by this RZ Plan (see pg. 26)? Consideration shall be given to whether this property has been vacant or underutilized for a period of time and/or whether the property is specifically targeted for clearance (see spreadsheet).
5. The project will create civic space or public space and/or will enhance pedestrian connectivity, streetscape amenities or will contribute to street level activation?
6. Consideration and analysis as to the total actual investment in the project?
7. Consideration as to whether the project will include or accommodate the relocation of a business from another North Dakota community?
8. Is the project located within a historic district? Will the project fit contextually and will the project contribute or enhance the area from an architectural perspective?

### **Residential Purchase** (condominiums, etc.)

1. Is the applicant able to provide verification that the project location will be their primary, “legal” residence (as required by statute)?
2. For condominiums, is the unit within a building that has been approved as a zone project?
3. Has any of the applicable square footage (whether in part or whole) been included as part of another zone project and received RZ tax exemptions?

### **Lease** (tenant lease)

1. For lease projects, is the unit or applicable square footage within a building that has been approved as a zone project?
2. Is the tenant re-locating within the boundary of the downtown core or is the tenant re-locating from another North Dakota community?

## MINIMUM INVESTMENT THRESHOLDS

**Minimum Investment Thresholds:** To qualify for consideration as a Renaissance Zone project, a proposal must meet the following minimum criteria. To note, in the Fargo Renaissance Zone, a transfer of property ownership does not automatically qualify a transaction as an approved RZ project.

# REVIEW CRITERIA & INVESTMENT MINIMUMS

**Intent:** The intent of these thresholds is to encourage and ensure significant levels of investment are made as part of an approved RZ project; consistent with the vision and goals as set forth in this RZ Plan. The thresholds include both the minimum statutory requirements as well as the minimum local requirements.

**Approvals:** All applications seeking RZ benefits must secure both local and state approvals prior to any construction and/or acquisition. Applicants should note that any construction costs prior to receipt of “Project Approval” from the ND Division of Community Services will not be considered or eligible for inclusion into the total project cost. Thereby, these costs will not count towards meeting the applicable minimum investment thresholds set forth below.

**Financial / Cost Breakdown:** The financial summary shall be submitted concurrent with the RZ application and shall be in sufficient detail to document costs and the anticipated total capital investment. To note, this financial breakdown will be utilized by the city to determine compliance with the RZ approval following project completion and prior to the city submitting for issuance of “Final Approval” by the ND Division of Community Services.

**Capital Cost Definition:** This RZ Plan identifies capital costs as the cost incurred for the repair, replacement or renovation of a building’s exterior, roof, structural systems, electrical/plumbing, heating/ventilation/air conditioning systems, windows, exterior doors, elevator improvements and accessibility improvements. Any other costs that do not meet the definition above shall be approved by the RZA concurrent with the project approval process if the costs are to be included in determining the total RZ investment.

**Square Footage Calculations / Applicability:** For the purposes of calculating ‘per square foot’ values, the investment number shall be the total square footage of the entire building, excluding the basement.

## **Thresholds:**

### **Rehabilitation Projects** (inclusive of residential, commercial or mixed-use)

1. **Commercial:** The application must provide verification through cost estimates that the rehabilitation project will facilitate an investment that totals no less than 50 percent of the true and full valuation of the building. Additionally, the application must provide verification that the investment will total at least \$40.00 in capital improvements per square foot (with differentiation between uses in a mixed-use scenario).
2. **Residential:** The application must provide verification through costs estimates that the rehabilitation project will facilitate an investment that total no less than 20

# REVIEW CRITERIA & INVESTMENT MINIMUMS

percent of the true and full valuation of the building. Additionally, the application must provide verification that the investment will total at least \$25.00 in capital improvements per square foot (with differentiation between uses in a mixed-use scenario).

**New Construction** (inclusive of residential, commercial or mixed-use)

All Types: Investments must equal \$100.00 per square foot.

**RZA – Square Footage Waivers:** The RZA and City Commission retain the right to waive the local minimum investment threshold requirements for projects with special circumstances or factors.

## INDIVIDUAL PROJECT SELECTION AND REVIEW

**Application Process:** Each submitted RZ application will be processed via a review process that will be coordinated by the locally appointed RZA. The Fargo Planning and Development Department will assist in this coordination.

**Incentive Packages:** In certain situations, the city may consider putting together a package of RZ incentives with non-RZ incentives. The non-RZ incentives may include options such as the Payment in Lieu Program (PILOT), storefront rehabilitation (CDBG) or other incentives.

**Other Commissions / Approval Processes:** Depending on the circumstances of each project, the applicant may be required to secure approvals through other commissions or boards; such as: Historic Preservation Commission, Planning Commission, Parking Commission or city Tax Exempt Review Committee. An approved Renaissance Zone project does not override, supersede or invalidate any approvals from other boards or commissions that may have review authority over elements not set forth within this RZ Plan.

# COMMUNITY SUPPORT

## PUBLIC SUPPORT

**Public Hearing:** As required under ND RZ Program Guidelines, the city is required to conduct at least one (1) public hearing on the updated RZ Plan. The city of Fargo held a duly noticed public hearing on December 8, 2014.

**Letters of Support:** Attached are the required letters of support from the Fargo Public School District and Cass County (see Appendix D).

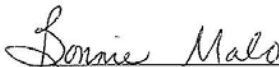
# **RENAISSANCE ZONE MEMORANDUM OF AGREEMENT**

Between  
The North Dakota Division of Community Services  
and  
The City of Fargo

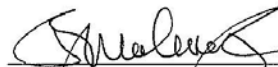
This Memorandum of Agreement between the North Dakota Division of Community Services (DCS) and the City of Fargo, effective December 28, 2014, establishes a Renaissance Zone for the City (see attached map) pursuant to N.D.C.C. ch. 40-63, for a period not to exceed 5 years. The Renaissance Zone Program Statement and the City's Development Plan as submitted and approved by DCS are binding as if those items were set out at length in this Memorandum of Agreement.

The City agrees that it will fulfill its responsibilities under the Renaissance Zone Program Statement. The City further agrees that it will follow its Development Plan as submitted to DCS, that it will provide all requested information to DCS, and that it will meet its obligations under N.D.C.C. ch. 40-63. If the City does not fulfill these requirements, or if the City fails to make adequate progress after the DCS provides 90 days written notice that its progress has been inadequate, then DCS may take action against the City. This action may include canceling Renaissance Zone approval for future projects as outlined in Part X, Paragraph 18, of the Program Statement.

If N.D.C.C. ch. 40-63 is amended or repealed by the Legislative Assembly, all changes will apply to the Renaissance zone or to this Memorandum of Agreement automatically on the effective date of the legislation. Any changes to the Development Plan, or to any other matter, required by any legislative changes, must be made in writing signed by both parties. The failure of the parties to agree to any changes required by legislation before the effective date of the legislation will automatically terminate Renaissance Zone approval without further action by DCS, unless DCS waives the termination in writing. Any project or investment completed before the effective date of any legislative changes is grandfathered under the prior law unless the new law requires otherwise.

  
Bonnie Malo, Director  
Division of Community Services

December 29, 2014  
Date

  
Tim Mahoney, Deputy Mayor  
City of Fargo

December 8, 2014  
Date

**CHAPTER 369****HOUSE BILL NO. 1492**

(Representatives Dorso, Clark, B. Thoreson)  
(Senators Grindberg, G. Nelson)

**RENAISSANCE ZONES**

AN ACT to provide for renaissance zones in cities and to provide tax exemptions and credits for investments in renaissance zones; to create and enact a new subsection to section 57-38-30.3 of the North Dakota Century Code, relating to tax exemptions and credits for investments in renaissance zones; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. Definitions.** As used in sections 1 through 10 of this Act:

1. "Boundary" means the boundary established by vote of the city governing body and approved by the office of intergovernmental assistance.
2. "Development plan" means a written plan that addresses the criteria in subsection 1 of section 3 of this Act and includes the following:
  - a. A map of the proposed renaissance zone which indicates the geographic boundaries, the total area, and the present use and conditions of the land and structures within those boundaries.
  - b. A description of the existing physical assets, in particular natural or historical assets, of the zone and a plan for the incorporation and enhancement of the assets within the proposed development.
  - c. An outline of goals and objectives and proposed outcomes, including major milestones or benchmarks, by which to gauge success resulting from the designation of the zone.
  - d. A description of proposed projects including public and private investments, and the programming and planned events to support and enhance the projected investments.
  - e. A description of the promotion, development, and management strategies to maximize investment in the zone.
  - f. A plan for the promotion and use of the renaissance fund corporation, including commitments by one or more investors to the corporation, if such use is intended.
  - g. Evidence of community support and commitment from residential and business interests.
3. "Investor" means the individual, partnership, limited partnership, limited liability company, trust, or corporation making an investment in a renaissance fund corporation.



4. "Local zone authority" means the city or the entity designated by the city to promote, develop, and manage the zone and may include any nonprofit incorporated entity such as an economic development corporation, community development corporation, main street organization, or chamber of commerce.
5. "Original principal amount" means the funds invested in a renaissance fund corporation after designation of the renaissance zone and before the sunset of that zone.
6. "Taxpayer" means an individual, corporation, financial institution, or trust subject to the taxes imposed by chapter 57-35.3 or 57-38.
7. "Zone" means a renaissance zone proposed by a city and designated by the office of intergovernmental assistance.
8. "Zone project" means any project contained within a designated renaissance zone and approved for zone incentives by a majority vote of the city governing body or zone authority.

**SECTION 2. Eligibility - Local zone authority designation.** Any incorporated city may apply to the office of intergovernmental assistance to designate a portion of the city as a renaissance zone. Any individual, partnership, limited partnership, limited liability company, trust, or corporation may apply for a tax credit or exemption under sections 4 through 7 of this Act. The governing body of a city may designate a local zone authority to implement a development plan on behalf of the city.

**SECTION 3. Renaissance zones.**

1. A city may apply to the office of intergovernmental assistance to designate a portion of that city as a renaissance zone if the following criteria are met:
  - a. The geographic area proposed for the renaissance zone is located wholly within the boundaries of the city submitting the application.
  - b. The application includes a development plan.
  - c. The proposed renaissance zone is not more than twenty square blocks.
  - d. The proposed renaissance zone has a continuous boundary and all blocks are contiguous.
  - e. The proposed land usage includes both commercial and residential property.
  - f. The application includes the proposed duration of renaissance zone status, not to exceed fifteen years.
2. The office of intergovernmental assistance shall:
  - a. Review all applications for renaissance zone designation against the criteria established in this section and designate zones.

- b. Approve or reject the duration of renaissance zone status as submitted in an application.
  - c. Approve or reject the geographic boundaries and total area of the renaissance zone as submitted in an application.
  - d. Promote the renaissance zone program.
  - e. Monitor the progress of the designated renaissance zones against submitted plans in an annual plan review.
  - f. Report on renaissance zone progress to the governor and the legislative council on an annual basis until all designated zones expire.
- 3. The office of intergovernmental assistance shall consider the following criteria in designating a renaissance zone:
  - a. The viability of the development plan.
  - b. The incorporation and enhancement of unique natural and historic features into the development plan.
  - c. Whether the development plan is creative and innovative in comparison to other applications.
  - d. Public and private commitment to and other resources available for the proposed renaissance zone, including the provisions for a renaissance fund corporation.
  - e. How renaissance zone designation would relate to a broader plan for the community as a whole.
  - f. How the local regulatory burden, in particular that burden associated with the renovation of historic properties and that burden associated with mixed use development, will be eased for developers and investors in the renaissance zone.
  - g. The strategies for the promotion, development, and management of the zone, including the use of a local zone authority if designated.
  - h. Any other information required by the office.
- 4. The office of intergovernmental assistance may not designate a portion of a city as a renaissance zone unless, as a part of the application, the city provides a resolution from the governing body of the city that states if the renaissance zone designation is granted, persons and property within the renaissance zone are exempt from taxes as provided in sections 4 through 7 of this Act.
- 5. A city may not propose or be part of more than one renaissance zone.
- 6. A parcel of property may be exempted from property taxes under section 5 of this Act only once, but during the five taxable years of eligibility for that exemption, the property tax exemption transfers with the transfer of the property to a qualifying user. The ownership or lease

of, or investment in, a parcel of property may qualify for exemption or credit under section 4 of this Act only once, but during the five taxable years of eligibility for that exemption or credit, the exemption or credit under section 4 of this Act transfers with the transfer of the property to a qualified user and with respect to the year in which the transfer is made must be prorated for use of the property during that year.

#### **SECTION 4. Income tax exemptions.**

1. An individual taxpayer who purchases single-family residential property for the individual's primary place of residence as part of a zone project is exempt from up to ten thousand dollars of personal income tax liability as determined under section 57-38-29 or 57-38-30.3 for five taxable years beginning with the date of occupancy.
2. A business that purchases or leases property for any business purpose as part of a zone project is exempt from income tax for five taxable years beginning in the year of the investment or lease for income derived from the business locations within the zone.
3. An individual, partnership, limited partnership, limited liability company, trust, or corporation that purchases residential or commercial property as an investment as part of a zone project is exempt from any income tax for five taxable years resulting from income earned from that investment.
4. The exemptions provided by this section do not eliminate any duty to file a return or to report income as required under chapters 57-35.3 or 57-38.

#### **SECTION 5. Property tax exemptions.**

1. A municipality may grant a partial or complete exemption from ad valorem taxation on single-family residential property, exclusive of the land on which it is situated, located in a zone project if the property was purchased by an individual for the individual's primary place of residence. An exemption granted under this subsection may not extend beyond five taxable years following the date of acquisition.
2. A municipality may grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements purchased by a business for any business purpose, excluding investment, as part of a zone project. An exemption granted under this subsection may not extend beyond five taxable years beginning in the year of the investment.
3. A municipality may grant a partial or complete exemption from ad valorem taxation on all buildings, structures, fixtures, and improvements to residential or commercial property located in a zone project if the property was purchased solely for investment purposes. An exemption granted under this subsection may not extend beyond five taxable years following the date of acquisition.

**SECTION 6. Historic preservation and renovation tax credit.** A credit against state tax liability as determined under sections 57-35.3-03, 57-38-29, 57-38-30, and 57-38-30.3 is allowed for investments in the historic preservation or

renovation of property within the renaissance zone if the investment is made between January 1, 2000, and December 31, 2004. The amount of the credit is fifty percent of the amount invested during the taxable year. Any excess credit may be carried forward for a period of up to five taxable years from the date of the investment.

**SECTION 7. Renaissance fund corporation - Exemption from taxation.**

1. Each city with a designated renaissance zone may establish a renaissance fund corporation, if the provisions for such a corporation are clearly established in the development plan and approved with the plan. The renaissance fund corporation may be a for-profit subsidiary of the local authority if one is designated.
2. The purpose of a renaissance fund corporation is solely to raise funds to be used to make investments in zone projects, and to provide financing to enterprise zone projects in a manner that will encourage capital investment in downtowns and central portions of cities, encourage the establishment or expansion of commercial businesses in downtowns and central portions of cities, and encourage the purchase of homes and encourage residency in the downtowns and central portions of cities.
3. A renaissance fund corporation may provide financing to zone projects, including projects undertaken by individuals, partnerships, limited partnerships, limited liability companies, trusts, corporations, nonprofit organizations, and public entities. The financing may include any combination of equity investments, loans, guarantees, and commitments for financing. The amount of financing is not limited by this Act.
4. A renaissance fund corporation is exempt from any tax imposed by chapters 57-35.3 or 57-38. A corporation or financial institution entitled to the exemption provided by this subsection must file required returns and report income to the tax commissioner as required by the provisions of those chapters as if the exemption did not exist. If an employer, this subsection does not exempt a renaissance fund corporation from complying with the income tax withholding laws.
5. A credit against state tax liability as determined under sections 57-35.3-03, 57-38-29, 57-38-30, or 57-38-30.3 is allowed for investments in a renaissance fund corporation. The amount of the credit is fifty percent of the amount invested in the renaissance fund corporation during the taxable year. Any amount of credit which exceeds a taxpayer's tax liability for the taxable year may be carried forward for up to five taxable years after the taxable year in which the investment was made.
6. The total amount of credits allowed under this section may not exceed, in the aggregate, two million five hundred thousand dollars for all taxpayers in all taxable years.
7. Income to a renaissance fund corporation derived from the sale or refinancing of zone properties financed wholly or in part by the corporation may be dispersed as annual dividends equal to the income, minus ten percent, derived from all sources and proportional to the investment. In the event of a loss to the fund resulting in a temporary diminishment of the fund below the original principal amount, no annual dividend may be paid until the fund is restored.

8. Income to a renaissance fund corporation derived from interest or the temporary investment of its funds in certificates of deposit, bonds, treasury bills, or securities may be used for administration.
9. If an investment in a renaissance fund corporation which is the basis for a credit under this section is redeemed by the investor within ten years of the date it is purchased, the credit provided by this section for the investment must be disallowed, and any credit previously claimed and allowed with respect to the investment must be paid to the tax commissioner with the appropriate return of the taxpayer covering the period in which the redemption occurred. When payments are made to the tax commissioner under this section, the amount collected must be handled in the same manner as if no credit had been allowed.
10. A renaissance fund corporation may invest in any housing, commercial, or infrastructure project in a zone project.
11. Each petition for investment must include a plan for sale or refinancing that results in proceeds equal to or in excess of the proportional investment made by the renaissance fund corporation.

**SECTION 8. Contributions - Use.** A local zone authority shall use contributions received under sections 4, 5, 6, and 7 of this Act for the support of the renaissance zone, including promotion, development, and management of the zone.

**SECTION 9. Rules and administration - Income tax secrecy exception.** The tax commissioner shall administer sections 1 through 10 of this Act with respect to an income tax exemption or credit and has the same powers as provided under section 57-38-56 for purposes of sections 1 through 10 of this Act. The office of intergovernmental assistance, in cooperation with the tax commissioner, shall issue forms to a taxpayer who may be eligible for the income tax exemption or tax credit sufficient for the tax commissioner to monitor the use of any exemptions or credits received by a taxpayer. The secrecy provisions of section 57-38-57 do not apply to exemptions or credits received by taxpayers under sections 4, 6, and 7 of this Act, but only when a local zone authority inquires of the tax commissioner about exemptions or credits claimed under sections 4, 6, and 7 of this Act with regard to that local zone authority or to the extent necessary for the tax commissioner to administer the tax exemptions or credits.

**SECTION 10. Pass-through of tax exemption or credit.** A partnership, subchapter S corporation, limited partnership, limited liability company or any other pass-through entity that purchases or leases property in a renaissance zone for any business purpose, invests in a historic preservation or renovation of property within a renaissance zone, or invests in a renaissance fund corporation must be considered to be the taxpayer for purposes of any investment limitations in sections 4, 6, and 7 of this Act, and the amount of the exemption or credit allowed with respect to the entity's investments must be determined at the pass-through entity level. The amount of the total exemption or credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the pass-through entity.

<sup>266</sup> **SECTION 11.** A new subsection to section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

A taxpayer filing a return under this section is entitled to the exemptions or credits provided under sections 4, 6, and 7 of this Act.

**SECTION 12. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 1998, and does not apply to any investments or activities that occurred before January 1, 1999.

Approved April 8, 1999  
Filed April 8, 1999

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<sup>266</sup> Section 57-38-30.3 was also amended by section 6 of Senate Bill No. 2009, chapter 31, and section 1 of House Bill No. 1113, chapter 512.



## CHAPTER 40-63 RENAISSANCE ZONES

### 40-63-01. Definitions.

As used in this chapter:

1. "Boundary" means the boundary established by vote of the city governing body and approved by the department of commerce division of community services.
2. "Development plan" means a written plan that addresses the criteria in subsection 1 of section 40-63-03 and includes the following:
  - a. A map of the proposed renaissance zone which indicates the geographic boundaries and blocks, a description of the properties and structures on each block, identification of those properties and structures to be targeted for potential zone projects, and a description of the present use and conditions of the targeted properties and structures.
  - b. A description of the existing physical assets, in particular natural or historical assets, of the zone and a plan for the incorporation and enhancement of the assets within the proposed development.
  - c. An outline of goals and objectives and proposed outcomes, including major milestones or benchmarks, by which to gauge success resulting from the designation of the zone.
  - d. A description of the types of projects the city would encourage in the city's targeted properties.
  - e. A description of the promotion, development, and management strategies to maximize investment in the zone.
  - f. A plan for the development, promotion, and use of a renaissance fund organization, if one is desired to be established. If a city is not ready to commit to establishing a renaissance fund organization, the city may indicate in the renaissance zone application the city's desire to submit a plan for approval at a later date.
  - g. Evidence of community support and commitment from residential and business interests.
3. "Investor" means the individual, partnership, limited partnership, limited liability company, trust, or corporation making an investment in a renaissance fund organization.
4. "Lease" means the lease of space in a building in a designated renaissance zone by a new business moving into the zone or by an existing zone business expanding in the zone, and the continuation of a lease of an existing zone tenant in a building rehabilitated as an approved zone project. For existing zone tenants expanding in the zone, the term does not include existing leased space.
5. "Local zone authority" means the city or the entity designated by the city to promote, develop, and manage the zone and may include any nonprofit incorporated entity such as an economic development corporation, community development corporation, main street organization, or chamber of commerce.
6. "Original principal amount" means the funds invested in a renaissance fund organization after designation of the renaissance zone and before the sunset of that zone.
7. "Rehabilitation", as used in sections 40-63-04 and 40-63-05, means the repair or remodeling of a building or public utility infrastructure at a cost that is equal to or exceeds fifty percent of the current true and full value for commercial buildings or public utility infrastructure and twenty percent for single-family homes.
8. "Taxpayer" means an individual, corporation, or trust subject to the taxes imposed by chapter 57-38 and includes a partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity.
9. "Zone" means a renaissance zone proposed by a city and designated by the department of commerce division of community services.

10. "Zone project" means the purchase, lease, rehabilitation, or historical preservation or renovation of a building or space in a building approved for zone incentives by a majority vote of the city governing body or zone authority.

**40-63-02. Eligibility - Local zone authority designation.**

Any incorporated city may apply to the department of commerce division of community services to designate a portion of the city as a renaissance zone. Any individual, partnership, limited partnership, limited liability company, trust, or corporation may apply for a tax credit or exemption under sections 40-63-04 through 40-63-07. The governing body of a city may designate a local zone authority to implement a development plan on behalf of the city.

**40-63-03. Renaissance zones.**

1. A city may apply to the department of commerce division of community services to designate a portion of that city as a renaissance zone if the following criteria are met:
  - a. The geographic area proposed for the renaissance zone is located wholly within the boundaries of the city submitting the application.
  - b. The application includes a development plan.
  - c. The proposed renaissance zone is not more than twenty-three square blocks, except in a city with a population of greater than five thousand the renaissance zone may exceed twenty-three square blocks at the rate of one additional block for each additional five thousand population to a maximum size of thirty-eight blocks. Population is based upon the most recent federal decennial census.  
If a city finds that renaissance zone projects have satisfactorily completed one or more blocks within the renaissance zone, the city may apply for and the department of commerce division of community services may approve withdrawal of those blocks from the renaissance zone and replacement of those blocks with other blocks that otherwise meet the requirements of this chapter.
  - d. Except as provided under subdivision g, the proposed renaissance zone has a continuous boundary and all blocks are contiguous.
  - e. The proposed land usage includes both commercial and residential property.
  - f. The application includes the proposed duration of renaissance zone status, not to exceed fifteen years. Upon application by the city, the department of commerce division of community services may extend the duration of renaissance zone status in increments of up to five years.
  - g. The proposed renaissance zone may have a single exception to the continuous boundary and contiguous block requirements under subdivision d if the area of the excepted noncontiguous blocks does not exceed three square blocks.
2. The department of commerce division of community services shall:
  - a. Review all applications for renaissance zone designation against the criteria established in this section and designate zones.
  - b. Approve or reject the duration of renaissance zone status as submitted in an application.
  - c. Approve or reject the geographic boundaries and total area of the renaissance zone as submitted in an application.
  - d. Promote the renaissance zone program.
  - e. Monitor the progress of the designated renaissance zones against submitted plans in an annual plan review.
  - f. Report on renaissance zone progress to the governor and the legislative management on an annual basis until all designated zones expire.
3. The department of commerce division of community services shall consider the following criteria in designating a renaissance zone:
  - a. The viability of the development plan.
  - b. The incorporation and enhancement of unique natural and historic features into the development plan.
  - c. Whether the development plan is creative and innovative in comparison to other applications.

- d. Public and private commitment to and other resources available for the proposed renaissance zone, including the provisions for a renaissance fund organization.
  - e. How renaissance zone designation would relate to a broader plan for the community as a whole.
  - f. How the local regulatory burden, in particular that burden associated with the renovation of historic properties and that burden associated with mixed use development, will be eased for developers and investors in the renaissance zone.
  - g. The strategies for the promotion, development, and management of the zone, including the use of a local zone authority if designated.
  - h. Any other information required by the office.
4. The department of commerce division of community services may not designate a portion of a city as a renaissance zone unless, as a part of the application, the city provides a resolution from the governing body of the city that states if the renaissance zone designation is granted, persons and property within the renaissance zone are exempt from taxes as provided in sections 40-63-04 through 40-63-07.
  5. A city may not propose or be part of more than one renaissance zone.
  6. A parcel of property may be exempted from property taxes under section 40-63-05 only once, but during the five taxable years of eligibility for that exemption, the property tax exemption transfers with the transfer of the property to a qualifying user. The ownership or lease of, or investment in, a parcel of property may qualify for exemption or credit under section 40-63-04 only once, but during the five taxable years of eligibility for that exemption or credit, the exemption or credit under section 40-63-04 transfers with the transfer of the property to a qualified user and with respect to the year in which the transfer is made must be prorated for use of the property during that year.
  7. A city may apply to the department of commerce division of community services at any time during the duration of a zone to expand a previously approved renaissance zone that is less than the maximum size allowed under subdivision c of subsection 1. If the expansion is approved by the department of commerce division of community services, the blocks in the expansion are eligible for up to fifteen years of renaissance zone status.
  8. The use of grant funds as the sole source of investment in the purchase of a building or space in a building does not qualify a taxpayer for any tax exemption or credit available under the chapter, and grant funds may not be counted in determining if the cost of rehabilitation meets or exceeds the current true and full value of the building.
  9. If a portion of an approved renaissance zone is not progressing, the city may request the department of commerce division of community services to permit deleting that portion and to make an adjustment of the boundaries to add another equal, contiguous area to the original zone.
  10. If within a renaissance zone there is property that is included in a tax increment financing district, the city in which the property is located shall provide the department of commerce an annual report regarding any such property at the time requested by the department of commerce. The report required under this subsection must identify the property, provide the expected duration of inclusion of the property in the tax increment financing district and the renaissance zone, and identify any property and income tax benefits of the property and the expected duration of those benefits. The department of commerce shall deliver an annual report compiling the information required under this subsection to the legislative management interim committee on taxation issues or upon request of any other interim committee of the legislative management.

**40-63-04. Income tax exemptions.**

1. An individual taxpayer who purchases or rehabilitates single-family residential property for the individual's primary place of residence as a zone project is exempt from up to ten thousand dollars of personal income tax liability as determined under section

57-38-30.3 for five taxable years beginning with the date of occupancy or completion of rehabilitation.

2. A taxpayer that purchases, leases, rehabilitates, or makes leasehold improvements to residential, public utility infrastructure, or commercial property for any business or investment purpose as a zone project is exempt from tax on income derived from the business or investment locations within the zone for five taxable years, beginning with the date of purchase, lease, or completion of rehabilitation.
  - a. The maximum amount of income that a taxpayer may exempt from tax under this subsection for any taxable year is five hundred thousand dollars. The limitation in this subdivision applies to the sum of the exempt income derived from the taxpayer's business and investment interests in all zone projects.
  - b. If a zone project consists of a physical expansion of an existing building owned and used by the taxpayer for business or investment purposes, the amount of income exempt from tax under this subsection is limited to an amount equal to the income derived from the business, or from the investment use of the building, during the taxable year multiplied by a ratio equal to the square footage added by the expansion divided by the total square footage of the building after expansion.
3. If the cost of a new business purchase, leasehold improvement, or expansion of an existing business, approved as a zone project, exceeds seventy-five thousand dollars, and the business is located in a city with a population of not more than two thousand five hundred, an individual taxpayer may, in lieu of the exemption provided in subsection 2, elect to take an income tax exemption of up to two thousand dollars of individual income tax liability as determined under section 57-38-30.3. The election must be made on the taxpayer's return as originally and timely filed. The election is irrevocable and binding for the duration of the exemptions provided in subsection 2 or this subsection. If an election is not made on the original return, the taxpayer is only eligible for the exemption provided in subsection 2.
4. If a property owner not participating in a renaissance zone project is required to make changes in utility services or in a building structure because of changes made to property that is part of a zone project, the owner of the nonparticipating property is entitled to state income tax credits equal to the total amount of the investment necessary to complete the required changes. The credit must be approved by the local renaissance zone authority. The credit must be claimed in the taxable year in which the related project was completed. The credit may not exceed the taxpayer's tax liability, and an unused credit may be carried forward up to five taxable years.
5. The exemptions provided by this section do not eliminate any duty to file a return or to report income as required under chapter 57-38.

#### **40-63-05. Property tax exemptions.**

1. A municipality may grant a partial or complete exemption from ad valorem taxation on single-family residential property, exclusive of the land on which it is situated, if the property was purchased or rehabilitated by an individual for the individual's primary place of residence as a zone project. An exemption granted under this subsection may not extend beyond five taxable years following the date of acquisition or completion of rehabilitation.
2. A municipality may grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements purchased or rehabilitated as a zone project for any business or investment purpose. The state board of equalization may grant a partial or complete exemption from ad valorem taxation on public utility infrastructure rehabilitated as a zone project. An exemption under this subsection may not extend beyond five taxable years following the date of purchase or completion of rehabilitation.

#### **40-63-06. Historic preservation and renovation tax credit.**

A credit against state tax liability as determined under sections 57-38-30 and 57-38-30.3 is allowed for investments in the historic preservation or renovation of property within the

renaissance zone. The amount of the credit is twenty-five percent of the amount invested, up to a maximum of two hundred fifty thousand dollars. The credit may be claimed in the year in which the preservation or renovation is completed. Any excess credit may be carried forward for a period of up to five taxable years.

**40-63-07. Renaissance fund organization - Exemption from taxation.**

1. Each city with a designated renaissance zone may establish a renaissance fund organization, if the detailed plan for such an organization is clearly established in the development plan and approved with the plan, or is submitted at a later date to the department of commerce division of community services for approval after the designation of a renaissance zone.
2. The purpose of a renaissance fund organization is solely to raise funds to be used to finance zone projects and other projects located in designated renaissance zones. A renaissance fund organization may provide financing to projects undertaken by individuals, partnerships, limited partnerships, limited liability companies, trusts, corporations, nonprofit organizations, and public entities. The financing may include any combination of equity investments, loans, guarantees, and commitments for financing. The amount of financing is not limited by this chapter.
3. A renaissance fund organization is exempt from any tax imposed by chapter 57-38. An exemption under this section may be passed through to any shareholder, partner, and owner if the renaissance fund organization is a passthrough entity for tax purposes. A corporation entitled to the exemption provided by this subsection shall file required returns and report income to the tax commissioner as required by the provisions of chapter 57-38 as if the exemption did not exist. If an employer, this subsection does not exempt a renaissance fund organization from complying with the income tax withholding laws.
4. A credit against state tax liability as determined under section 57-38-30 or 57-38-30.3 is allowed for investments in a renaissance fund organization. The amount of the credit is fifty percent of the amount invested in the renaissance fund organization during the taxable year. Any amount of credit which exceeds a taxpayer's tax liability for the taxable year may be carried forward for up to five taxable years after the taxable year in which the investment was made.
5. The total amount of credits allowed under this section may not exceed, in the aggregate, eight million five hundred thousand dollars for investments in renaissance fund organizations. A renaissance fund organization that has received investments that qualify for the credits under this subsection shall use those investments to finance projects within a renaissance zone.
6. Income to a renaissance fund organization derived from the sale or refinancing of zone properties financed wholly or in part by the organization may be disbursed as annual dividends equal to the income, minus ten percent, derived from all sources and proportional to the investment. In the event of a loss to the fund resulting in a temporary diminishment of the fund below the original principal amount, no annual dividend may be paid until the fund is restored.
7. Income to a renaissance fund organization derived from interest or the temporary investment of its funds in certificates of deposit, bonds, treasury bills, or securities may be used for administration.
8. If an investment in a renaissance fund organization which is the basis for a credit under this section is redeemed by the investor within ten years of the date it is purchased, the credit provided by this section for the investment must be disallowed, and any credit previously claimed and allowed with respect to the investment must be paid to the tax commissioner with the appropriate return of the taxpayer covering the period in which the redemption occurred. When payments are made to the tax commissioner under this section, the amount collected must be handled in the same manner as if no credit had been allowed.
9. A renaissance fund organization shall secure an annual audit of its financial records, prepared by an independent certified public accounting firm in accordance with

generally accepted auditing standards. The audit report must include a statement of the percentage of annual investments received by the organization which have been invested by the organization in investments permitted under this chapter, including the use of investments, distinguishing between organization investments made in renaissance zones and outside renaissance zones. A renaissance fund organization shall file a copy of each audit of its financial records under this subsection with the governing body of the city in which it was established, the department of commerce division of community services, and the tax commissioner. The department of commerce division of community services shall provide an annual report to the budget section of the legislative management showing the conclusions of audit reports filed under this subsection.

10. Renaissance fund organization officers and employees may be actively involved in the enterprises in which the renaissance fund organization invests but the renaissance fund organization may not invest in any enterprise if any one renaissance fund organization officer or employee owns more than forty-nine percent of the ownership interest in the enterprise. A renaissance fund organization may not invest in an enterprise if renaissance fund organization officers and employees collectively own more than forty-nine percent of the ownership interests, either through direct ownership or through ownership of interest in a passthrough entity.

**40-63-08. Contributions - Use.**

Repealed by S.L. 2001, ch. 359, § 11.

**40-63-09. Rules and administration - Income tax secrecy exception.**

The tax commissioner shall administer this chapter with respect to an income tax exemption or credit and has the same powers as provided under section 57-38-56 for purposes of this chapter. The secrecy provisions of section 57-38-57 do not apply to exemptions or credits received by taxpayers under sections 40-63-04, 40-63-06, and 40-63-07, but only when a local zone authority inquires of the tax commissioner about exemptions or credits claimed under sections 40-63-04, 40-63-06, and 40-63-07 with regard to that local zone authority or to the extent necessary for the tax commissioner to administer the tax exemptions or credits.

**40-63-10. Passthrough of tax exemption or credit.**

A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity that purchases or leases property in a renaissance zone for any business purpose, invests in a historic preservation or renovation of property within a renaissance zone, or invests in a renaissance fund organization must be considered to be the taxpayer for purposes of any investment limitations in sections 40-63-04, 40-63-06, and 40-63-07, and the amount of the exemption or credit allowed with respect to the entity's investments must be determined at the passthrough entity level. The amount of the total exemption or credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.

**40-63-11. Tax benefits not available to delinquent taxpayer.**

A taxpayer may not be delinquent in payment of any state and local tax liability to be eligible for a tax benefit under this chapter.

LETTERS / RESOLUTIONS OF SUPPORT





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Fargo, ND 58102-4514  
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**Dr. Jeffrey M. Schatz**, *Superintendent* • 701.446.1005  
**Dr. Robert Grosz**, *Associate Superintendent, Teaching & Learning & Secondary Education* • 701.446.1010  
**Dr. Rachael Agre**, *Assistant Superintendent, Elementary Education & Professional Development* • 701.446.1069  
**Mr. Broc Lietz**, *Business Manager* • 701.446.1027  
**Mrs. AnnMarie Campbell**, *Executive Assistant & Communications* • 701.446.1005

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November 24, 2014

Mr. Dennis Walaker, Mayor  
City of Fargo  
200 3rd Street North  
Fargo, ND 58102

Mayor Walaker,

As the City of Fargo completes the process to update the local Renaissance Zone (RZ) Development Plan and the related program goals and policies, the Fargo School District appreciates the opportunity to review and comment on the materials.

Since initiation of the program in 1999, the Renaissance Zone program has been instrumental in revitalizing the downtown core and rehabilitating several important downtown buildings. The tax incentives have been a critical component to attract economic development and investment.

According to RZ data published by the City, property values in the downtown core have increased by nearly 200% since 1999 and it is clear that a portion of this success can be attributed to the RZ program. Additionally, city data shows that RZ projects have accounted for upwards of \$115 million in total improvements. Through increased property valuations and significant RZ investments the program continues to generate tax revenue at the local level that may not have otherwise materialized and the program continues produce a significant Return on Investment (ROI) for the community.

The Fargo Public School District understands that in order for the City to receive a 5-year extension of the program an updated RZ Development Plan is required in addition to securing a letter or resolution of support from other major taxing entities affected by the tax incentives. It is the opinion of the Fargo School District that the Renaissance Zone has been an important and successful program in Fargo and therefore the school district strongly supports the City of Fargo application for re-designation as a Renaissance Zone.

The Fargo Public School District requests that this letter of support be submitted and filed with the City of Fargo application.

Sincerely,

Dr. Jeffrey M. Schatz  
Superintendent

Robin Nelson  
Board of Education, President





## Board of County Commissioners

Chad M. Peterson  
Fargo, North Dakota

Rick Steen  
Fargo, North Dakota

Ken Pawluk  
Fargo, North Dakota

Arland H. Rasmussen  
West Fargo, North Dakota

Mary Scherling  
Stanley Township, North Dakota

December 1, 2014

Dennis Walaker, Mayor  
City of Fargo  
200 3<sup>rd</sup> Street North  
Fargo, ND 58102

Dear Mayor Walaker:

The Cass County Commission appreciates the opportunity to review the updated Renaissance Zone (RZ) materials and is submitting this letter in support of the City's efforts to obtain a 5 year extension of the program.

From the Commission's perspective, over the last 15 years the Renaissance Zone program and the applicable incentives have been an important catalyst to downtown revitalization, economic development and investment in Fargo's historic downtown core. The tax incentives have been a critical element in attracting investment and the program has also been an integral part of marketing the downtown core to potential investors, developers, businesses, entrepreneurs and residents.

As noted in City data, since 1999 property values in the downtown core have increased substantially and the RZ program has been a key factor in helping to facilitate this tax base growth. The data also shows that completed RZ projects have produced upwards of \$115 million in improvements in the downtown core which ultimately contributes to increased tax revenue generation. It is apparent that the RZ program has been highly successful in Fargo and that it continues to produce a significant Return on Investment (ROI) for the community and the State of North Dakota.

The Commission acknowledges that the city is seeking a 5-year extension of the program and as part of this effort the City is required to update the RZ Development Plan in addition to securing a letter or resolution of support from other major taxing entities affected by the tax incentives. It is the opinion of the Cass County Commission that the Renaissance Zone has been an important and successful program in Fargo and therefore the County strongly supports the City of Fargo application for re-designation as a Renaissance Zone.

The Cass County Commission requests that this letter of support be submitted and filed with the City of Fargo application.

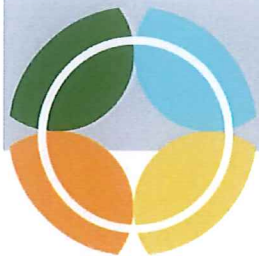
Sincerely,

Chad Peterson, Chairman  
Cass County Commission

Heather Worden  
Commission Assistant

PO Box 2806  
211 Ninth Street South  
Fargo, North Dakota 58108

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**Downtown  
Community**  
partnership

| promote | | advocate | | educate | | envision |

December 1, 2014

Honorable Mayor Walaker  
City of Fargo  
209 3<sup>rd</sup> St. N.  
Fargo, ND 58102

Dear Mayor Walaker:

On behalf of the Downtown Community Partnership (DCP), I would like to express our support to the City of Fargo, in obtaining a five year extension of the Renaissance Zone (RZ) Program. After reviewing the draft RZ Plan, this update very much parallels our future vision for downtown Fargo.

Over the past 15 years, the RZ Program and the applicable incentives have served as an important catalyst in revitalizing downtown Fargo. The incentives have stimulated new investments and interest in our historic downtown center. As noted in the City data, since 1999, property values in the downtown have increased by 195%! It is apparent that the RZ Program has been highly successful in downtown Fargo and it continues to produce a significant Return on Investment (ROI) for the community and the State of North Dakota.

Over the next five years, the RZ Program will continue to be used in rehabilitating the core, but we envision these incentives will kindle interest in new construction and appropriate infill development projects in downtown Fargo. The revisions included in the updated plan reflects this and place us in a better position to promote both types of developments.

The DCP is a North Dakota Non-Profit Corporation dedicated to promoting and advocating a better Downtown Fargo. Our overall vision is for Downtown Fargo to be a thriving, vibrant, innovative and sustainable heart of the region. The DCP Board of Directors consists of 15 voting members that represent over 175 investors. DCP Investors range from large corporations with over a century presence in our community, to newly opened micro-enterprises.

Once again, we support the City of Fargo, obtaining a five year extension on the RZ Program.

Sincerely,

Michael C. Hahn, President/CEO  
Downtown Community Partnership



November 21, 2014

Mayor Dennis Walaker  
City of Fargo  
200 3<sup>rd</sup> Street North  
Fargo, ND 58102

Mayor Walaker,

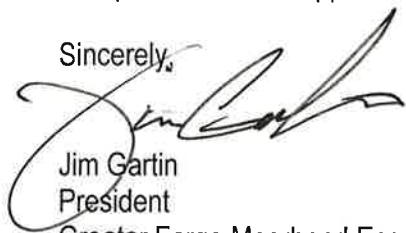
On behalf of the Greater Fargo Moorhead Economic Development Corporation (GFMEDC), I would like to offer full support for the City of Fargo's application to obtain a five year extension on the Renaissance Zone (RZ) program. Thank you for providing the RZ materials and allowing GFMEDC to show their support.

The GFMEDC's mission is to grow and diversify the economy in Cass County, North Dakota, and Clay County, Minnesota through the attraction, retention and expansion of primary-sector businesses. The GFMEDC's long-term goals are to position Fargo Moorhead as a leader in emerging sectors that are creating jobs for many decades to come; to cultivate an inclusive entrepreneurial ecosystem that will build tomorrow's companies; and to retain graduates of our higher-education institutions.

In looking upon the significant impact the RZ has had on our downtown, our community and our international image, the foresight of our state leaders to initiate this program 15 years ago was genius. An obvious measurable economic impact, as seen in the RZ report, is the over \$386 million increase in assessed property values (at least partially attributable to the RZ program) which generates an estimated \$6.3 million increase in annual property taxes when compared to 1999. The huge, but rather immeasurable, economic impact is what these incited investments have done for the cultural well-being of our community. The vibrancy of the RZ area with many thousands of people living and working here seven days a week plays a tremendous role in attracting and retaining our workforce, businesses and entrepreneurs. The emergence of our downtown and the enviable local quality of life continue to garner regional, national and international acclaim.

The RZ program has been very important to the city, and has proven to be very successful as well. Please accept this letter of support from the GFMEDC to include with your extension application.

Sincerely,



Jim Gartin  
President

Greater Fargo Moorhead Economic Development Corporation



# THE CHAMBER

FARGO MOORHEAD WEST FARGO

Dr. Tim Mahoney, Deputy Mayor  
City of Fargo  
200 3<sup>rd</sup> Street North  
Fargo, ND 58102

Deputy Mayor Mahoney,

The Fargo Moorhead West Fargo Chamber of Commerce is eager to support the City of Fargo's efforts to extend the Renaissance Zone program by five years.

We represent the interests of more than 2,100 businesses in the community, and we support sound endeavors that offer economic opportunity and potential growth. Downtown Fargo has served as the commercial center of the city since the days of the first railroads that traversed the area, and we believe an extended Renaissance Zone program would allow that center to remain firmly where it belongs. Extending the program also offers significant tax exemptions for businesses or investors within the zone. These exemptions are the incentive growing businesses need to consider opening an office in downtown Fargo.

We especially appreciate that an extended Renaissance Zone program dovetails nicely with the city's GO2030 comprehensive plan, which identified infill development as the second most important priority for the community, after permanent flood protection. This indicates to us that capitalizing on the success of the Renaissance Zone is a critical factor in the city's ability to remain a vibrant, thriving commercial center. As evidenced in the report, the program has already generated a substantial increase in assessed property values, which provided significant property taxes; an extended program would allow that tax revenue to continue streaming into a variety of endeavors that increase the vitality and appeal of the community.

We are proud that the City of Fargo is pursuing the opportunity to extend the program, and we are honored to lend our name to the support of this effort.

Thank you for your work,

Craig Whitney  
President/CEO  
The Chamber