

Public Notice

The City of Fargo Economic Development Incentives Committee is seeking public input on potential changes to the public incentives policy for major developments and redevelopments in Fargo.

The current policy provides incentives when needed for redevelopment of difficult to develop sites. Major redevelopments have included the Roberts Commons and Block 9 downtown redevelopments.

The Committee is considering changes to the policy that would expand the types and locations of new developments. Major developments would be projects over \$50 million in value. The proposed policy would allow the consideration of major new developments on previously undeveloped sites that include:

- Community Facilities such as a convention center, water park, museum, or recreation facility.
- High density districts that have been identified in the city growth plan.

The next pages include information on the proposed changes.

- Page 1 is the current policy
- Page 2 is a proposed addition to the policy
- Page 3 is the proposed evaluation criteria

You may wish to address these questions.

- Should the policy be expanded to consider developments in new areas?
- What types of public facilities should be supported?
- What types of developments should be supported?

Please provide comments on the draft changes to Jim Gilmour at JGilmour@FargoND.gov prior to August 15, 2023.

Public Private Partnerships (P3) Policy

Public Private Partnerships (P3) may include the creation of a Tax Increment Financing District. The P3 developments incentivize private development by funding public infrastructure and/or financially assisting a developer. Absent this public infrastructure and/or developer assistance, the private development would not otherwise occur.

There is no “standard” type of public private partnership. Each P3 will be unique. There will be unique area and site conditions, unique needs for public infrastructure, and unique private developments.

PROCESS:

The process for public private partnerships will begin with discussions between city officials, private landowners, and development groups. Typically, there will be a difficult to develop site, and a need for public infrastructure and/or developer assistance to make development financially feasible and physically possible.

The Economic Development Incentives Committee will do the first review of the P3 concept. The Committee will make a recommendation to the City Commission either to proceed with the development of a Renewal Plan, or to recommend that the City not participate in the P3 concept. The P3 concept review will examine whether the development is consistent with city plans, if it provides a community benefit and if the public assistance is essential to *any* private development.

RENEWAL PLAN DEVELOPMENT

City staff will develop the Renewal Plan. The Planning, Administration, Engineering and Finance Departments will all participate in the preparation process. Legal counsel will review the plan and write development agreements. Financial advisors will review financial assumptions and recommend the reasonability of assistance to private developers and the financing plan for public facilities.

RENEWAL PLAN IMPLEMENTATION:

The City will implement activities included in the Renewal Plan. This will include:

- Overseeing the installation of public infrastructure;
- Monitor developer compliance with terms of agreements;
- Collection and distribution of tax increment funds and/or other public funds;
- Monitoring and reporting on the results of the plan implementation.

Public Private Partnerships (P3) Policy – Community Facilities and High Density Developments

Public Private Partnerships (P3) will be considered for new developments or major redevelopments that create a community facility that will benefit the community or provide a high density development in an area designated by a redevelopment plan or growth plan. Projects may include development of community facilities such as a:

- Convention Center
- Water Park
- Museum
- Cultural Facilities
- Tourism Attraction

High Density Developments should be located in an area designated in the growth plan or a renewal plan for high density mixed uses and include housing, commercial space and recreation facilities. The areas should have most of the following.

- Office and retail space
- Higher density than typical commercial and apartment developments
- Shared parking
- Housing at a range of costs
- Recreation facilities
- Walkable and connected to adjacent development
- Efficient public infrastructure

There is no “standard” type of public private partnership. Each will be unique. Adjacent uses, site conditions, public infrastructure, and private developments will all be different. While these P3 developments will be unique, the City will use the approval criteria outlined in the policy to evaluate the appropriateness of the proposed public private partnership.

PROCESS:

The process for public private partnerships will begin with discussions between city officials, private landowners, and development groups. The Economic Development Incentives Committee (EDIC) will do the first review of the P3 concept. The P3 concept review will examine whether the development is consistent with city plans, if it provides a community benefit and if the public assistance is essential to the proposed private development. EDIC will ask City staff to review the P3 concepts.

DEVELOPMENT AGREEMENT

City staff will develop the Renewal Plan. The Planning, Administration, Engineering and Finance Departments will all participate in the preparation process. Legal counsel will review the plan and write development agreements. Financial advisors will review financial assumptions and recommend if the proposed public assistance is reasonable.

Public Private Partnerships – Evaluation Criteria – New Development

Public Benefit – The development provides a facility that is open to the public such as a park, museum, recreation facility, parking garage. The facility meets an unmet need in the community and does not significantly compete with other private facilities in the community. (0-50 points)

Property Value Increase – It is a large scale development, with minimum investment of over \$50 million. The development has high value per square feet of the site. The project encourages adjacent development that will immediately pay property taxes. (0-50 points)

Need for Public Assistance – The project financials demonstrate a need for the public assistance. The rate of return should be reasonable for the project and/or the loan coverage ratio is insufficient to finance the project. (Pass/Fail?)

Design – The development is a high quality design, both the buildings and adjacent open spaces. The development is consistent with City of Fargo growth plans. (0-25 points)

Infrastructure – The development should not create a need for significant infrastructure expansion that will increase costs for the City. (0-25 points)

Competition with other Development – The development should not create unfair competition with other development in the community. (0-50 points)

Tourism – The development attracts visitors from outside the metro area. (0-25 points)

Economic Impact – The development creates primary sector jobs, or significant sales tax revenue. (0-25 points)

Total Points Possible: 250

Points for approval recommendation: 150?